Housing Matters

BRITISH COLUMBIA
The Best Place on Earth

BC Housing

Table of Contents

Perfomance Highlights 1
Joint Message from the Chair and Chief Executive Officer 2
A Housing Strategy for British Columbia 4

Organizational Structure 6
Governance 7
Organizational Chart 8
The Housing System 9
Who We Serve 10
How We Serve British Columbians 14
Alignment with Government's Goals 15
Operating Context 16

Report on Performance 18
Linking Goals and Results 19
Goal 1: Respond to Gaps in the Housing Continuum 20
Goal 2: Protect and Manage Existing Housing for the Long Term 23
Goal 3: Provide Access to Appropriate Housing and Services for Vulnerable British Columbians 27
Goal 4: Organizational Excellence 30

Management Discussion and Analysis 33

Financial Statements 41
Audited Financial Statements – BC Housing Management Commission 42
BC Housing Management Commission – Auditor's Report 43
Audited Financial Statements – Provincial Rental Housing Commission 52
Provincial Rental Housing Commission – Auditor's Report 53

Appendices 60
Appendix A – Changes in Reporting 61
Appendix B – Disclosure of Key Reporting Judgments 64

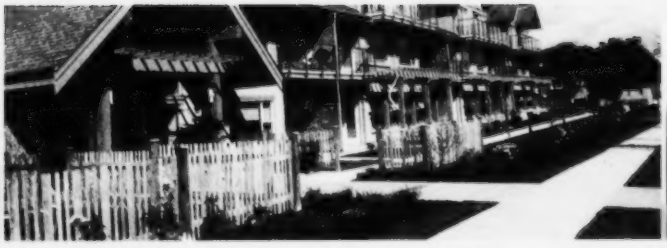
Glossary 71

Contact Information 72

2007-05492/

Performance Highlights

This has been another groundbreaking year for BC Housing. The Province of British Columbia introduced *Housing Matters BC*, an innovative and comprehensive housing strategy helping those in the greatest need access safe, affordable housing. Launched in October 2006, the strategy provides programs and resources that will help British Columbians, from the homeless to low-income, working families meet their housing needs. In order to carry out this ambitious housing strategy, BC Housing's provincial funding was increased to $319 million (up 59 per cent from the prior year). Some of our successes this year include:



2006/07 Performance Highlights	
Signing of the Canada–B.C. Social Housing Agreement bringing the total households served to	80,726
Units completed	2,472
Units under development	2,634
Number of public housing units adapted to higher priority needs	500
Rental Assistance Program introduced	1,409 recipients
Employee engagement	Within top quartile of employers
Homelessness Outreach teams established	20 teams in 18 communities
Funding committed for the purchase of SRO hotels to be converted to supportive housing	623 units in 11 buildings

Future Highlights	
Housing Endowment Fund created	$250 million Fund
Redevelopment process begun on Little Mountain public housing	224 units to be redeveloped
Conversion of existing housing to supportive housing for seniors	750 units to be converted
Conversion of seasonal shelter beds to permanent shelter	300 shelter beds to be converted
New Aboriginal Housing created	250 new units to be created

Joint Message from the Chair and Chief Executive Officer

We have shown what can be achieved when challenging targets are set and innovative partnerships are embraced. We strive to maximize the benefits of public funds through leveraging our relationships to provide vulnerable British Columbians with increased housing options. Our approach is to help vulnerable households, while also building a more effective system for meeting wider housing and support needs.

Finding affordable and appropriate housing can be difficult in British Columbia. In both our small towns and large cities, we continue to see high levels of homeless people in shelters every night, growing numbers of seniors who require supportive and assisted living and increases in the number of low-income families who are experiencing difficulties finding quality housing that they can afford.

These challenges require increased resources, which the Province is providing. They also require new approaches and innovations in service delivery. We are committed to testing and supporting positive change. As a result of these efforts, 2,472 new homes were built this year. This is a significant increase over our target and is due to a record number of new assisted living units being created under the Independent Living BC program and Provincial Homelessness Initiative. We also provided financial assistance to another 15,387 low-income seniors and this year the new Rental Assistance Program for low-income families was launched to help people to live more affordably in the private market. We also supported the administration and long-term maintenance of 63,785 units of social housing.

This year, the Province introduced a new housing strategy, *Housing Matters BC*, aimed at strengthening our response to those in need. *Housing Matters BC* is an action plan that brings together our housing partners to address the challenging issue of affordable housing at its core. It reflects a belief that every individual and family needs safe, affordable housing. *Housing Matters BC* sets out new approaches to tackle the personal and social causes of housing need alongside structural issues like housing supply.

There are a number of changes to the way we deliver existing housing programs. In order to address gaps within the housing continuum, several initiatives are being undertaken to create a smoother transition from emergency housing to transitional housing and to permanent housing. A new homelessness outreach program was started this year that connects homeless individuals with income assistance, health services and affordable housing. The outreach program complements the Emergency Shelter Program, which is being enhanced by converting seasonal beds to year-round shelter. This will help to create an integrated system of housing and support and will ensure a more comprehensive approach to homelessness.

A significant change to the housing continuum this year was the Canada–B.C. Social Housing Agreement, which transferred the administration of the federal portfolio of about 16,700 social housing units to BC Housing. This is a tremendous opportunity to harmonize various programs and reduce the administrative burden for housing providers. The Agreement also provides opportunities to look at the redevelopment of existing housing complexes. This year we began our first multi-year redevelopment process at Little Mountain in Vancouver.

The next few years will see us focus our attention on the redevelopment of aging social housing and ensuring that vulnerable citizens have access to the housing and services they need. We must continue to find innovative ways to support affordable housing. Our portfolio is aging, necessitating maintenance and improvement programs to ensure that this housing meets the future needs of our tenants. While risks cannot be eliminated, BC Housing has specific risk management processes to minimize or mitigate them. For example, market influences such as material costs, availability of skilled labour and insurance costs have caused construction prices to rise between one and two per cent per month. BC Housing has continued to seek cost-effective solutions by bundling similar projects and pursuing alternative construction forms, including modular housing.

The 2006/07 BC Housing Annual Report was prepared under our direction in accordance with the Budget Transparency and Accountability Act. We are accountable for the contents of the report, including what has been included in the report and how it has been reported. The information presented has been prepared in accordance with the

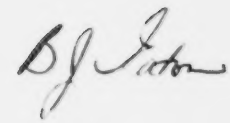
BC Reporting Principles and reflects the actual performance of BC Housing for the twelve months ended March 31, 2007 in relation to the February 2006 service plan.

The measures presented are consistent with BC Housing's mission, goals and objectives, and focus on aspects critical to the organization's performance. We are responsible for ensuring internal controls are in place to ensure performance information is measured accurately and in a timely fashion. All significant decisions, events and identified risks, as of March 31, 2007, have been considered in preparing the report. The report contains estimates and interpretive information that represent the best judgment of management. Any changes in mandate direction, goals, objectives, strategies, measures or targets made since the February 2006 service plan was released and any significant limitations in the reliability of data are identified in the report.

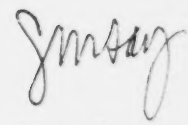
We are celebrating our 40th anniversary next year. During the past 40 years, BC Housing has remained committed to making a difference in people's lives through housing. We live by our values and ensure that our organization is efficient and accountable for how we spend public funds.

We revised some aspects of our performance framework in order to more comprehensively describe BC Housing's core services and business activities. We have chosen to report on our success in meeting the measures set out in both the 2006/07 – 2008/09 and 2007/08 – 2009/10 Service Plans where data is available.

There is a range and diversity of experience at BC Housing that has allowed us to move forward with our commitments. We are grateful to everyone who has contributed to the progress achieved over the year, and we look forward to working with all of our partners to build the best system of housing and support in Canada for vulnerable British Columbians. Collectively, our passions, resources and commitment help us to change people's lives for the better.



Brenda Eaton
Chair



Shayne Ramsay
Chief Executive Officer

A Housing Strategy for British Columbia

A housing strategy for British Columbia, launched in October 2006, provides the framework for the evolution of the affordable housing sector. Two primary policy changes, and six strategies form the basis of the Housing Strategy. The two policy changes are:

Individuals or households with special housing needs will be given priority access to subsidized housing; and

Provincially-owned subsidized housing will be renovated or redeveloped to better meet the needs of low-income households with special housing needs.

The goals outlined in *Housing Matters BC* are client focused. BC Housing is the lead government agency ensuring that the first four of the six provincial goals (see box at right) are met through a variety of programs and partnerships. The programs and services associated with each of our goals address the needs of a variety of groups at the same time.

We are ensuring that we develop new units at the supportive end of the housing continuum in order to promote individuals' stability, self-reliance and independence. In building the next generation of social housing with our non-profit, government and private partners, we employ smart and efficient designs that encourage healthy communities. Our partnership programs include:

- Independent Living BC, a housing-for-health partnership program designed to meet the needs of seniors and people with disabilities who require some personal assistance, but do not need 24-hour care. An additional 550 units were allocated this year, bringing the total to more than 4,000 units that will be created by 2008;
- The Provincial Homelessness Initiative, which provides a comprehensive approach to homelessness, mental illness and addictions by integrating housing with the appropriate support services. Because of the significant partnerships created, BC Housing allocated additional units to the program, bringing the total to 2,287 new units through a number of innovative partnerships;
- A new Aboriginal housing program launched this year that will create homes specifically for Aboriginals using the funding from the federal Aboriginal Affordable Housing Trust; and
- A new Housing Endowment Fund announced this year that will provide funding for innovative affordable, social or supportive housing, and for innovative housing development and management.

Affordable housing options are also being created in the private market through the use of rent assistance. Many low-income families and seniors do not have special housing needs. These households simply do not have enough income to pay rent in the private market - there is a gap between their rent and what they can afford to pay. Portable housing allowances that can be used in the private rental market are an effective way to assist these low-income households. An existing housing allowance program, the Shelter Aid for Elderly Renters (SAFER) program, has successfully assisted many low-income seniors for over 25 years. This year, the Province created a new housing allowance program for families, the Rental Assistance Program. These programs allow us to provide greater housing choice and assistance to bridge the affordability gap in the private rental market.

All British Columbians – tenants, Aboriginal, our housing partners, other levels of government and our employees – will play a role in shaping affordable housing in the future. Working together, we will continue to create housing solutions for healthier futures.

Housing Matters BC sets out six goals for better meeting the housing needs of British Columbians. The information below provides an overview of how BC Housing is involved in goals one through four:

1 The homeless have access to stable housing with integrated support services

- Additional units are being created under the Provincial Homelessness Initiative by building new units and protecting the existing rental stock through the purchase of single room occupancy buildings and existing rental buildings
- More shelter beds are available as seasonal beds are converted to year-round shelter beds
- 20 outreach programs are in place in 18 communities across the province

2 B.C.'s most vulnerable citizens receive priority for assistance

- New supported and assisted living units are being created through the Independent Living BC program
- Social housing units will be converted to supportive and assisted living for seniors
- Redevelopment of aging social housing sites
- Existing social housing provides homes for frail seniors, people at risk of homelessness, people with mental illnesses and physical disabilities, those with drug and alcohol addictions, Aboriginals and youth and families, including women with their children fleeing abusive relationships

3 Aboriginal housing need is addressed

- New homes will be built under a new Aboriginal Housing Program
- The administration of Aboriginal housing will be transferred to the Aboriginal Housing Management Association

4 Low-income households have improved access to affordable rental housing

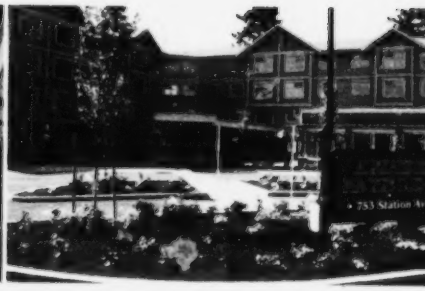
- Low-income seniors living in the private rental market are receiving cash assistance through the Shelter Aid for Elderly Renters program
- Low-income family households are receiving rent assistance in the private market through the new Rental Assistance Program

5 Homeownership is supported as an avenue to self-sufficiency

6 B.C.'s housing and building regulatory system is safe, stable and efficient

Organizational Structure

Our Mandate: The British Columbia Housing Management Commission (BC Housing) was created in 1967 through an Order-in-Council under the *Housing Act* to fulfill the government's commitment to the development, management and administration of subsidized housing.



OUR VISION, MISSION AND VALUES

Our Vision: Housing solutions for healthier futures.

Our Mission: Creating the best system of housing and support for vulnerable British Columbians.

Our Core Values: The following values are reflected in all aspects of our performance. We believe that each person at BC Housing has a role to play in integrating these values into our day-to-day activities and ensuring our success as an organization in delivering our mandate.

Integrity: We are open, fair and honest in our decisions and interactions with clients, government, the public and each other.

Respect: We treat all people with respect and dignity. BC Housing respects community leadership and relies on local expertise to find solutions to serve those in need.

Commitment: We are committed to making a positive difference in the lives of others by ensuring that BC Housing employees are professional and engaged.

Service: We provide accessible, equitable and responsive service to our clients, housing partners and colleagues by responding to their individual needs.

Accountability: We are conscious of how we spend taxpayers' dollars. We work to ensure accountability to clients, government and the public through effective and efficient delivery of programs and services.

Governance

Board of Commissioners

BC Housing is responsible to the Minister of Forests and Range and Minister Responsible for Housing through a Board of Commissioners. The government appoints the board to oversee policy-making for the organization and, in cooperation with senior management, to set the strategic direction. The board also monitors performance based on the Province's planning and reporting principles. The board delegates responsibility for the day-to-day leadership and management to the Chief Executive Officer.

The Board incorporates best practices into its governance procedures as guided by the *Best Practice Guidelines on Governance and Disclosure for Public Sector Organizations*. As requested in the guidelines, BC Housing's disclosure is available on the company's website at www.bchousing.org.

Standing Committees of the Board of Commissioners

The following three standing committees support the role of the Board of Commissioners in fulfilling its obligations and oversight responsibilities related to audit and risk management, governance and human resources.

1. Audit and Risk Management Committee

The purpose of the Committee is to ensure that the audit process, financial reporting, accounting systems, management plans and budgets, and the system of corporate controls and risk management are reliable, efficient and effective.

2. Corporate Governance Committee

The purpose of the Committee is to ensure that BC Housing develops and implements an effective approach to corporate governance. This enables the business and affairs of BC Housing to be carried out, directed and managed with the objective of enhancing value to government and the public.

3. Human Resources Committee

The purpose of the Committee is to provide a focus on senior management human resource and compensation issues.

Code of Conduct

The Board of Commissioners adheres to the following standards of conduct when exercising its powers and performing the functions of the organization:

- Act honestly, in good faith and in the best interests of BC Housing;
- Exercise care, skill and diligence in decision making; and,
- Follow ethical standards in order to avoid real or apparent conflict of interest between commissioners' private interests and the interests of BC Housing.

The Standards of Conduct guide the conduct for the board, employees, consultants and contractors and suppliers. The code is also available on BC Housing's website at www.bchousing.org.

Organizational Chart

The following chart highlights BC Housing's key service areas and the responsibilities and accountabilities in each area. There are 420 full-time equivalent staff employed across the organization.

Minister of Forests and Range & Minister Responsible for Housing
Honourable Rich Coleman

Board of Commissioners
Brenda Eaton, Chair

Chief Executive Officer
Shayne Ramsay

OPERATIONAL BRANCHES

Operations

Vice President: Margaret McNeil

- Provides access to subsidized housing
- Maintains the quality of existing social housing
- Oversees the management of public housing and group homes
- Administers operating agreements of shelter providers, non-profit housing societies and cooperatives

Development Services

Vice President: Craig Crawford

- Facilitates the development of housing options through the following programs:
  - Independent Living BC
  - Provincial Housing Program
  - Provincial Homelessness Initiative
  - Community Partnership Initiatives

Corporate Services

Vice President and Chief Financial Officer: Dan Maxwell

- Provides operational services including finance, information systems, research and planning, legal and program analysis
- Provides mortgage administration for BC Housing and the Provincial Rental Housing Corporation

SUPPORT BRANCHES

Human Resources

Executive Director: Agnes Ross

- Recruits and trains staff
- Facilitates labour relations, negotiations, compensation, job evaluation, payroll, benefits management, employment equity and multiculturalism
- Oversees occupational health and safety

Corporate Communications

Director: Susan Thom

- Provides a broad range of internal and external communications services including communication strategies, media relations, issues management, housing events/announcements, government and stakeholder relations, website management and publications

RELATIONSHIP TO THE PROVINCIAL RENTAL HOUSING CORPORATION

The Provincial Rental Housing Corporation (PRHC) was incorporated in 1973 under the Business Corporations Act and exists solely as BC Housing's land-holding company. It holds provincially owned social housing properties, and leases residential properties to non-profit societies and cooperatives. As of March 31, 2007, PRHC held properties with an original cost of over $550 million. The Canada-B.C. Social Housing Agreement resulted in a significant increase in the Provincial Rental Housing Corporation's investment in properties this year. This agreement transferred CMHC's 75% ownership interest in the section 79 public housing projects and the Canada Mortgage and Housing Corporation's 100% ownership of rural and native homes. (See the Management Discussion and Analysis on page 34 for additional details.)

The Minister Responsible for Housing is the sole shareholder of PRHC. Because of its relationship with BC Housing, PRHC is administered by BC Housing. To ensure the appropriate governance linkage between the two entities, senior management of BC Housing serves as PRHC's Directors. PRHC does not employ any staff.

The financial statements for PRHC can be found on page 52 of this report.

The Housing System

Even with the rising cost of home ownership and renting in our larger urban centres in the past few years, the private market is meeting the majority of housing needs for B.C.'s population. Within this context, government's role is to help ensure that the housing market functions effectively. This means the legislative and regulatory frameworks for building safety balance the needs of the housing construction industry with consumer protection for home buyers; landlords and tenants understand their rights and responsibilities and have access to dispute-resolution services; and British Columbians have a range of housing options to choose from that are affordable for people with a broad range of incomes.

There are some households, however, which are unable to find suitable housing in the private market because of a combination of factors. In many cases, households spending 50 per cent or more of their income on rent are considered to be in the worst case need, and at risk of homelessness. Government-assisted housing in British Columbia is administered by BC Housing and targeted to lower-income households, many of whom have complex housing and health needs. Providing assistance to those in crisis is fundamental to our programs and services.

The map below shows BC Housing's service regions. Using 2001 Census data, the information below shows the general distribution of approximately 69,000 households paying 50 per cent or more of their income on rent and those assisted through subsidized housing.

Based on 2001 Census data
(Note: 2006 Census data will be available in 2008.)

VANCOUVER COASTAL REGION	
Total number of households	380,770
Households spending > 50% of their income on rent	23,000
Households assisted through subsidized housing	28,595
FRASER REGION	
Total number of households	472,485
Households spending > 50% of their income on rent	19,200
Households assisted through subsidized housing	22,594
INTERIOR	
Total number of households	291,125
Households spending > 50% of their income on rent	12,000
Households assisted through subsidized housing	11,875
NORTH	
Total number of households	93,055
Households spending > 50% of their income on rent	4,000
Households assisted through subsidized housing	4,433
VANCOUVER ISLAND	
Total number of households	225,850
Households spending > 50% of their income on rent	11,000
Households assisted through subsidized housing	13,229

Who We Serve

In 2006/07, government-assisted housing helped 80,726 households across the province, with the majority of this housing targeted to B.C.'s vulnerable citizens. In order to help people move along the continuum and out of emergency or transitional situations (i.e. homeless) to more stable situations (i.e. housed), a combination of housing and supports is needed. Affordable housing is a bridge that allows people to achieve greater stability in their lives and become more capable of moving away from government income or housing assistance.

INDIVIDUALS WHO ARE HOMELESS

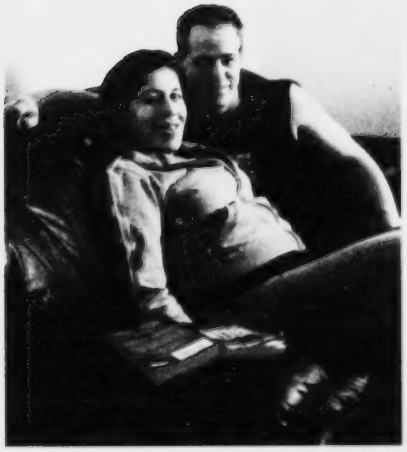
With a growing homeless population and range of contributing factors, new thinking is needed. The 2006 Provincial Housing Strategy, *Housing Matters BC*, marks a new direction in how the province is addressing homelessness.

The Provincial Homelessness Initiative will continue to ensure that homeless individuals have access to stable housing with integrated support services (at least 1,462 new units will be created by 2009/10). The Emergency Shelter Program will continue to serve as a necessary linkage for seamlessly moving homeless people from emergency shelters to housing with the appropriate supports to help them achieve greater self-sufficiency. Homeless Outreach Teams will help homeless individuals in more than 18 different communities access these services in their time of need. In 2006/07, BC Housing provided $108.8 million to shelter providers and non-profit housing societies to assist more than 5,101 homeless individuals on any given night of the year.

Individuals who are Homeless

Dan and Elene met six years ago at an emergency shelter and had turned their lives around when circumstances beyond their control left them homeless again. With nowhere else to go, the couple was able to stay at Hyland House in Surrey, an emergency shelter funded by BC Housing.

"Without this place, we'd be staying somewhere very scary," said seven-month pregnant Elene. Dan has been accepted for a 17-week course to train as a heavy machine operator, and the couple is looking forward to finding a new home soon. "We're trying to get our lives together and get organized now," he said.



FRAIL SENIORS AND INDIVIDUALS WITH SPECIAL NEEDS

The number of senior-led households is expected to increase from 246,000 in 2001 to over 652,000 by 2031.[1] These demographic changes are putting pressure on social housing buildings – where over 15,000 seniors and individuals with special needs live. Some seniors may need financial assistance; others may also require health support as they age in place.

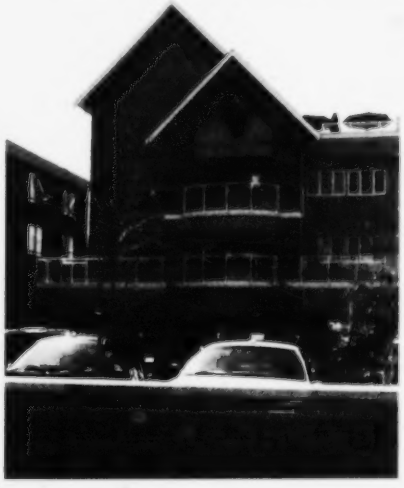
For many British Columbians with special needs, it is not enough that their housing is affordable. Our vulnerable citizens need a range of support services to help them move to more stable lives, and supportive housing allows them to live independently. One of the goals of the Provincial Housing Strategy, *Housing Matters BC*, is to ensure that B.C.'s vulnerable citizens receive priority assistance. People who require special-needs housing include those with severe physical disabilities, chronic mental illness, those living with HIV/AIDS, drug and alcohol dependencies and women and children fleeing abusive situations.

In 2006/07, BC Housing spent $106.2 million to assist approximately 9,314 individuals with special needs and 5,731 frail seniors.

[1] BC Stats, P.E.O.P.L.E. Projections 31.

Frail Seniors

The Guru Nanak Niwas Assisted Living development has 72 units of assisted living designed for South Asian seniors, a first for British Columbia. Saroj Sood, a resident at the development, enjoys a living environment that takes into account specific language, cultural and food needs. She is pictured here speaking at the development's opening.



Individuals with Special Needs

Phoenix Centre is a new integrated addictions services centre in Surrey offering a continuum of supports for individuals recovering from addictions and mental illness. This $10.9-million centre, funded under the Provincial Homelessness Initiative, was officially opened by Premier Gordon Campbell in April 2007.

ABORIGINAL INDIVIDUALS AND FAMILIES

More than 28 per cent of off-reserve Aboriginal households are in core housing need compared to 15.8 per cent for all non-Aboriginal households. The Provincial Housing Strategy addresses this discrepancy by earmarking funds to build housing for Aboriginal people who are homeless and through the transfer of administration responsibility of Aboriginal subsidized housing to the Aboriginal Housing Management Association. This year, BC Housing spent $43.3 million to assist 3,358 Aboriginal families and individuals.

LOW-INCOME SENIORS AND FAMILIES

Approximately 69,000 households in British Columbia are unable to find housing that is suitable in size and in good repair without spending 50 per cent or more of their income on rent. Adding to this challenge is the extremely low vacancy rate in many urban areas.

For over 25 years, the Shelter Aid for Elderly Renters (SAFER) program has provided assistance for low-income seniors. The budget for this program was doubled in 2005. A similar program for low-income families, the Rental Assistance Program, was also created in 2006. This program provides assistance to low-income, working families renting in the private market.

A large portion of BC Housing's budget, approximately $239.1 million, will assist 57,222 families and seniors to have affordable homes.

Aboriginal individuals and families

The Sto:lo Aboriginal elders development in Chilliwack, funded under Independent Living BC, is the first assisted-living facility built for Aboriginal elders in B.C. A partnership between BC Housing, Fraser Health and the Sto:lo Nation Society, the development is not exclusive to Sto:lo seniors, but provides a setting where their food, language and culture are reflected. The building is expected to open in summer 2007.

Seniors who are renting

A recipient of Shelter Aid for Elderly Renters (SAFER) for the past seven years, 86-year-old Langley resident Reta Clark is grateful for the extra help she gets with her rent. Reta says the program is a blessing for seniors on a fixed income, and has meant the difference between staying in her own home and not being able to take care of herself.

Families who are renting

Surrey single mom Cathy couldn't believe her luck when she received her first Rental Assistance Program payment. "I struggle to make rent every month," she said. "When I found out that I was going to receive something, it felt incredible. It makes a world of difference." For Cathy, who has two daughters, the $383 she receives each month makes life much easier.

HOUSEHOLDS ASSISTED BY THE CONTINUUM OF HOUSING AND SUPPORT SERVICES

BC Housing's role is to assist vulnerable British Columbians in need of affordable and appropriate housing so that they may have healthier futures. We are able to provide this assistance through existing temporary and permanent housing. Where there are gaps in the housing continuum, we work to address these through the creation of new housing options or by adapting existing housing to better meet the needs of vulnerable citizens. We also want to make it as simple as possible for people to access subsidized housing. And, once people are living in subsidized housing, we want to ensure that they are safe and receive the supports they need to lead healthy lives. Affordable housing is a bridge that allows people to return to school, obtain full-time employment, and explore alternative housing options including homeownership. Individuals become more capable of moving away from government income or housing assistance.

Government-Assisted Housing

(Accounts for almost 6% of the province's total housing stock)

Level of Support Services

HIGH

DEPENDENT **INDEPENDENT**

5,101

15,045

43,639

Emergency Shelter & Housing for the Homeless

5,101 homeless individuals assisted including:

- 2,332 homeless served nightly in shelters
- 2,769 homeless housed

Transitional Supportive & Assisted Living

15,045 individuals assisted including:

- 9,314 people with special needs
- 5,731 frail seniors

Independent Social Housing

43,639 households assisted including:

- 24,293 low-income seniors
- 15,988 low-income families
- 3,358 Aboriginal families and individuals

Rent Assistance in the Private Market

16,941 households assisted including:

- 15,387 seniors
- 1,554 families

Private Market Rentals

Home Ownership

How We Serve British Columbians

Every aspect of BC Housing's business is centred on our clients. To best serve them, we have created relationships with key partners. Below are descriptions of how we do business in partnership.

POLICY PARTNERS

The Office of Housing and Construction Standards, within the Ministry of Forests and Range, is responsible for provincial housing policy, building policy, safety policy and the Residential Tenancy Branch. By working collaboratively, government is able to ensure that housing policy is aligned with programs and services to improve access to safe and stable housing for all British Columbians.

DELIVERY PARTNERS

Housing assistance is provided through a number of mechanisms including public, non-profit and cooperative housing, as well as through rent assistance to people living in the private rental market. BC Housing provides financial, administrative and technical support to its delivery partners, in addition to administering long-term operating agreements and the provision of housing subsidies. BC Housing's role is one of stewardship and accountability.

SERVICE PARTNERS

In responding to the needs of British Columbians, access to housing must often be combined with other support services (e.g. income support, health, education, employment and skills training). BC Housing has engaged in innovative service partnerships that integrate housing and support services. These service partnerships involve other levels of government, health authorities and service providers.

FUNDING PARTNERS

The investment required to create new housing necessitates a partnership model. No one level of government can do it alone. A public-private partnership model for the development of new housing combines funds from all levels of government and leverages private, non-profit and charitable sources. Once built, funding for the ongoing delivery of government-subsidized housing comes from a number of different partners including BC Housing, other provincial ministries and the federal government.

Key Relationships

The diagram at left illustrates BC Housing's relationships with our key partners and how we work together to provide housing options. Every aspect of our business is centred on our clients. Using this client-centred approach, and in cooperation with our partners, BC Housing creates, manages and maximizes resources in order to ensure that housing needs are met for vulnerable British Columbians.

Alignment with Government's Goals

Among the priorities identified in the provincial government's 2006/07 to 2008/09 Service Plan is the goal to build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors. Housing represents a critical part of this system. BC Housing aligns its business activities with government's housing priorities and reports to the Minister of Forests and Range and Minister Responsible for Housing.

A key component of the governance framework is the *Shareholder's Letter of Expectations*. The letter describes the relationship between BC Housing and the provincial government, and mandates direction from government to BC Housing. The *Shareholder's Letter of Expectations* ensures a mutual understanding between the shareholder and BC Housing on governance issues, corporate mandate, core services, public policy issues, strategic priorities and performance expectations.

As set out in the *Shareholder's Letter of Expectations*, BC Housing's priority is to fulfill the government's commitment to meeting the housing needs of vulnerable British Columbians.

The following chart reflects the alignment between the government's key strategic directions and BC Housing's goals and objectives.

GOVERNMENT'S STRATEGIC GOAL

Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors.

SHAREHOLDER'S LETTER OF EXPECTATIONS

BC Housing's priority is to fulfill the government's commitment to meeting the housing needs of vulnerable British Columbians.

This is accomplished by ensuring effective planning for, and management and delivery of, housing programs and services within BC Housing's 2006/07 budget as well as the budget targets and ministry transfers in the BC Housing 2006/07 - 2008/09 Service Plan by:

- working in partnership with provincial health authorities, non-profit and private sector, local governments and others to deliver the Independent Living BC program;
- completing the Provincial Housing Program by 2006/07;
- working with other provincial ministries and health authorities to establish long-term housing and support services to respond to the needs of homeless/at risk individuals;
- harmonizing the federal social housing portfolio with the provincial social housing portfolio;
- supporting Aboriginal capacity building in the area of housing and transferring administration of additional housing units to the Aboriginal Housing Management Association;
- initiating comprehensive re-development plans for appropriate subsidized housing sites to further the objectives of the provincial housing strategy; and
- improving access to, and maximizing the use of, public housing for those with complex housing and health needs.

BC HOUSING'S GOALS AND OBJECTIVES

Goal: **Respond to gaps in the housing continuum**

Objectives:
- Increasing housing options
- Adapt existing housing to target resources to vulnerable British Columbians

Goal: **Organizational excellence**

Objectives:
- Financial and operating success
- High level of employee engagement

Goal: **Protect and manage existing housing for the long term**

Objectives:
- Maintain the quality of existing assets
- Adequate provision for future requirements

Goal: **Provide access to appropriate housing and services for vulnerable British Columbians**

Objectives:
- Ease of access to housing
- Available housing targeted to the most vulnerable

Operating Context

Our success in meeting our goals, objectives, strategies and measures is influenced by many external factors. The following is a summary of internal and external challenges and opportunities that could affect BC Housing's ability to meet our performance targets. A risk-management approach is used to assess challenges and opportunities, and to determine the appropriate strategies for responding.

CHALLENGES

Market Pressures

- B.C.'s current housing environment adds to the challenges of housing need. Very few rental-housing units are being built, and in our urban centres, rents are unaffordable for many people. Additionally, existing rental buildings are diminishing as property owners pursue redevelopment opportunities. BC Housing recently purchased eleven Single Room Occupancy (SRO) hotels. These buildings were purchased to preserve and upgrade an important source of affordable housing stock for people at risk of homelessness. Work will be undertaken over the next year to bring the buildings up to an acceptable standard so that people can feel safe and secure in this housing.

- The challenges related to new supply programs include rising construction costs, which are up by more than 40 per cent over the last four years. The cost drivers include significant increases in the cost of materials and skilled labour shortages, resulting in both increased labour costs and delays in project completion. This puts pressure on the budgets of new projects that are being built. BC Housing has continued to seek cost-effective solutions by bundling similar projects and pursuing alternative construction forms including modular housing.

Maintenance of the Social Housing Portfolio

- Many of the buildings that make up the public housing portfolio are aging and their mortgages are beginning to expire. Maintenance and capital-replacement costs were increased for some buildings in order to ensure compliance with current health and safety standards.

- With these challenges comes an opportunity to renovate these buildings to better meet the needs of tenants and/or to accommodate support services. Some developments will benefit from new funding as 750 units of social housing are converted to supportive housing.

- Other buildings that occupy under-utilized land are beginning to be redeveloped. Working in partnership with the private and non-profit sectors, these lands can become mixed-income communities with subsidized housing more fully integrated into larger communities. The redevelopment process began this year on the first social housing development, Little Mountain. Any proceeds from redevelopment of public housing will be reinvested back into affordable housing. As BC Housing moves forward on redevelopment initiatives, we will ensure that no resident will be left without housing assistance.

Not-In-My-Back-Yard (NIMBY)

- As BC Housing focuses on constructing new housing for vulnerable tenants, strong opposition has emerged to the developments in a handful of cases as a result of fear and uncertainty. This type of opposition, referred to as "Not-In-My-Back-Yard" (NIMBY), creates difficulties in making progress to address homelessness. BC Housing is working to ensure that surrounding communities learn more about the developments and that the general public and local governments are able to deal with public opposition so that consensus can be more easily achieved to move projects forward.

Allocation of Resources

- The demand for affordable housing exceeds the supply of resources as indicated by the more than 14,380 applicants currently listed in The Housing Registry, BC Housing's database of housing providers and applicants. Therefore, housing resources must be used as efficiently as possible to ensure that those in the greatest housing need are given priority.

Internal Capacity

- The shortage of capable labour and the potential loss of intellectual capital poses a risk to BC Housing's ability to meet our commitment to excellence in client service, project development and ensuring the quality of our housing portfolio. As well, an aging population is changing the dynamics of attracting skilled people at the same time as many employees are retiring or are becoming eligible to retire. In BC Housing's current workforce, the percentage of employees who are eligible to retire on the basis of having reached age 55 or over, exclusive of their pensionable status, is approximately 23 per cent. This will grow to 38 per cent over the next five years, and 58 per cent within the next 10 years. BC Housing is striving to recruit and retain skilled, creative, committed employees. We are ensuring an engaged workforce for the benefit of all clients and stakeholders through a new People Strategy. A succession plan was also created this year to ensure we are well placed to meet our commitments today and in the future.

Changing Demographics

- It is clear that the challenges of addressing housing need in B.C. are much different than they were a decade ago. The number of people who are homeless has increased and their overall health is declining. Our population is aging and this increases demand for affordable housing with support services. The number of Aboriginal people who are homeless or in core housing need is higher than the incidence of need in the larger population. Our programs are designed to meet current needs and anticipate future demand.

OPPORTUNITIES

Inter-Ministerial Coordination and Collaboration

- As part of the Premier's Task Force on Homelessness, Mental Illness and Addictions, BC Housing has been working with provincial ministries and health authorities to develop permanent, long-term housing and outreach strategies to respond to homelessness.

The Emergency Shelter System as part of the Continuum of Housing

- The administration of emergency shelters, cold wet weather beds and extreme wet weather beds was transferred from the Ministry of Employment and Income Assistance to BC Housing late in 2005. This administrative change provided an opportunity to integrate emergency housing with other housing programs and services to better support those who are homeless. Harmonizing the housing portfolio and finding administrative efficiencies between housing and shelter programs were key priorities this year. We have also been working to address some challenges with statistical analysis and reporting, and some maintenance and capital replacement matters.

Enhanced Federal-Provincial Relationship

- The federal government is contributing $106 million to help address short-term pressures in the supply of affordable housing. This funding will flow to BC Housing from 2006/07 to 2008/09. The funding will be used to offset the cost of constructing new housing under the Independent Living BC and the Provincial Homelessness Initiative programs.

Integration of Social Housing Across the Province (Devolution)

- In January 2007, the federal government transferred the administration of 16,688 units within the federal social housing portfolio to BC Housing. Devolution creates the potential for the redevelopment and conversion of social housing in keeping with the B.C. government's housing priorities, as well as allowing for increased administrative and operational efficiencies. All systems have been successfully integrated ensuring continued and seamless service to our partners.

Aboriginal Capacity Building

- BC Housing is working closely with the Aboriginal Housing Management Association (AHMA) to ensure the successful transition and management of the federal Aboriginal housing portfolio. Currently, AHMA is managing 322 units of Urban Native Housing, and has been doing so successfully since 2004. BC Housing staff have been working with AHMA to share knowledge and technical expertise. This Aboriginal self-management model for social housing is the first of its kind in Canada.

- In addition, an Off-Reserve Aboriginal Housing Trust has been created to help provinces address short-term housing needs for Aboriginal Canadians living off-reserve. Funding of $50.9 million will flow to BC Housing in 2007 / 08 and in 2008 / 09. BC Housing is working in consultation with AHMA and other Aboriginal housing providers to select appropriate projects and allocate capital grants to construct new housing for Aboriginal households across the province. An Expression of Interest for Aboriginal partners was released early in 2007.

Sound Sustainability Practices

- BC Housing is committed to reducing its environmental impact and creating healthier homes and workplaces for tenants and employees. Wherever possible, we evaluate environmental impacts while considering fiscal and operational needs by employing energy-efficiency measures and sustainable practices in our new construction projects, repair and improvements to existing buildings and day-to-day operations. BC Housing has aligned its targets for energy and greenhouse gas emission reduction with those of the Government of British Columbia and is a recognized BC Hydro Power Smart Partner.

Public-Private Partnerships (P3)

- BC Housing has entered into a number of innovative partnership initiatives with municipalities, non-profit societies, the private sector and other housing partners. These partnerships have been designed to respond to local housing challenges and have created additional units without the need for ongoing operating subsidies. They are great opportunities for BC Housing to work with communities to move projects forward faster.

Effective Management Strategies

- BC Housing is actively engaged in identifying strategies to streamline and improve program administration, reduce costs and promote sustainability. The devolution agreement with the federal government provides an opportunity to harmonize programs, simplify reporting requirements, reduce administrative burdens and improve program effectiveness. As well, by creating incentives for housing providers to explore new ways of generating revenues or controlling costs, housing providers can take some of the pressure off their budgets.

- With the implementation of our new information technology system this year, we worked our way through a major business initiative to ensure our administrative practices meet or exceed industry standards.

Sector Sustainability

- About 56 per cent of social housing is provided by the non-profit and cooperative housing sector. Almost 50 per cent of these providers are responsible for a single housing development. BC Housing is working closely with the BC Non-Profit Housing Association (BCNPHA) to ensure the sector remains robust. BC Housing and BCNPHA share common goals that promote greater resource and information sharing, governance and administrative models to protect non-profit and cooperative housing for the long term.

Report on Performance

This section sets out BC Housing's Report on Performance for 2006/07. The Performance Measurement Framework included in this section is structured around four key goals (see chart below). Each goal is assessed through an overview of the objectives and strategies, measures and targets set out in our 2006/07 Service Plan, and new measures and targets added to BC Housing's Performance Measurement Framework. Our performance – relative to the targets and alongside historical data – provides a benchmark for our results. We also establish future directions relative to these goals and objectives.

LINKING GOALS AND RESULTS

Goals	Objectives	Measures	Service Plan Target	2006/07 Results	
Respond to gaps in the housing continuum	Increasing housing options	Number of new units/beds created in priority areas	1,997	2,472	Target Exceeded
		Number of new households assisted through rent assistance programs (New)	New Measure	4,394	New Measure
	Adapt existing stock to target resources to vulnerable households	Number of existing units adapted to higher priority needs	400	500	Target Achieved
Protect and manage existing housing for the long term	Maintain the quality of existing assets	Percentage of clients reporting satisfaction with the quality and safety of their housing	78%	77%	Target Substantively Achieved
		Percentage of social housing providers meeting financial and operational standards (Revised)	90%	92%	Target Achieved
	Adequate provisions for future requirements	Developments with adequate replacement reserves (Revised)	85%	85%	Target Achieved
		Ratio of replacement reserve contributions to actual expenditures (Revised)	New Measure	1.52:1	New Measure
Provide access to appropriate housing and services for vulnerable British Columbians	Ease of access to housing	Percentage of new applicants reporting satisfaction with the process	75%	90%	Target Exceeded
		Percentage of nights where shelters are at full occupancy	50% or less	42%	Target Achieved
	Available housing targeted to vulnerable citizens	Percentage of clients belonging to priority groups	84%	83%	Target Substantively Achieved
Organizational excellence	Financial and operating success (Revised)	Controllable administration costs as percentage of program delivery costs	10% or less	7.5%	Target Achieved
		Per-square-foot construction costs	Competitive with the market	Within 2.72% of private sector	Target Achieved
	High level of employee engagement (New)	Employee engagement index	Top quartile	Top quartile	Target Achieved

Goal 1 Respond to Gaps in the Housing Continuum

Housing need can be viewed along a continuum that ranges from emergency shelters to independent housing in the private market. BC Housing plays an important role in filling gaps in this housing continuum by either adapting existing housing or creating new options to better meet the needs of priority groups.

New housing units are built under the following programs: Independent Living BC (ILBC), the Provincial Homelessness Initiative (PHI) and Community Partnership Initiatives (CPI). There are also rent assistance programs that make it more affordable to live in the private market. Through working in partnership with all levels of government and other key stakeholders, we can facilitate an expanded range of housing options for those in need.

Within the context of this goal, we have three specific strategies:

1. Expanding the supply of existing units through the delivery of targeted housing programs in partnership with other levels of government as well as with key community and private sector partners;
2. Providing assistance to individuals and households renting in the private market through the Province's SAFER program (Shelter Aid for Elderly Renters) and the recently announced Rental Assistance Program for low-income families; and,
3. Adapting existing buildings to target resources to vulnerable citizens.

Key Provincial Housing Programs and Initiatives

Independent Living BC (ILBC)

A housing-for-health partnership program for seniors and people with disabilities who require some personal assistance but who do not need 24-hour facility care.

The Provincial Homelessness Initiative (PHI)

An initiative emerging from the Premier's Task Force on Homelessness, Mental Illness and Addictions that works with community partners to put into place transitional and supportive housing solutions for individuals who are homeless or at risk of becoming homeless.

Community Partnership Initiatives (CPI)

Through the provision of one-time grants, access to consulting services, project development funding and construction and long-term financing, BC Housing supports the creation of additional housing without the need for ongoing operating subsidies.

Rent Assistance Programs for Families and Seniors in the Private Market

SAFER (Shelter Aid for Elderly Renters) and the government's new Renta. Assistance Program provide direct financial assistance to low-income families and seniors in the private market in order to help close the gap between their rent and what they can afford to pay.

MEASURE: NUMBER OF NEW UNITS/BEDS CREATED IN PRIORITY AREAS

TARGET EXCEEDED

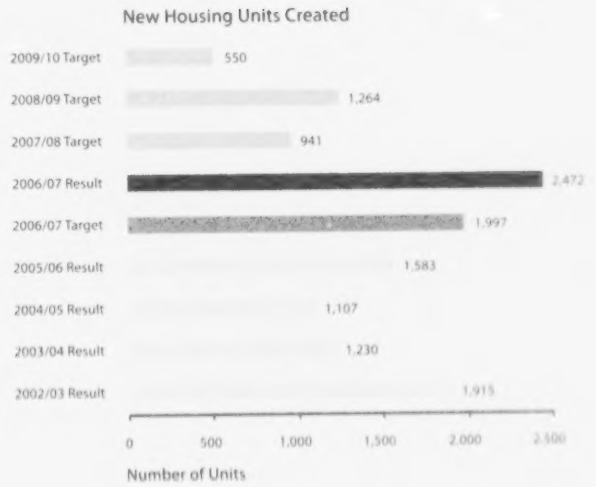
Importance of the Measure

The Province is committed to ensuring that B.C.'s vulnerable citizens receive priority for assistance. Part of this commitment is creating new units/beds on the supportive end of the continuum of housing. Government has committed significant funding for the creation of new buildings in a cost effective manner through programs such as ILBC and PHI.

The ILBC and PHI programs add new units for priority groups such as frail seniors, Aboriginal households, persons with physical and mental disabilities as well as individuals who are homeless, many of whom are dealing with mental illness, addictions, and other challenges.

Performance Results 2006/07

In 2006/07, 2,472 new units were added to the existing inventory of subsidized housing. This includes 1,225 units under ILBC, 374 units under PHI, and 791 units under CPI. There were also 82 group home units created. These units were added in more than 52 communities across the province as a means of increasing the range of housing options available for vulnerable households. The number of units completed is 24% over the target. Due to the nature and complexity of the ILBC and PHI programs, a number of units that were to be completed in 2005/06 reached completion in early 2006/07. As well, changes in the structure of the Development Services Branch helped to streamline program delivery and strengthen performance.



MEASURE: NUMBER OF EXISTING UNITS ADAPTED TO HIGHER PRIORITY NEEDS

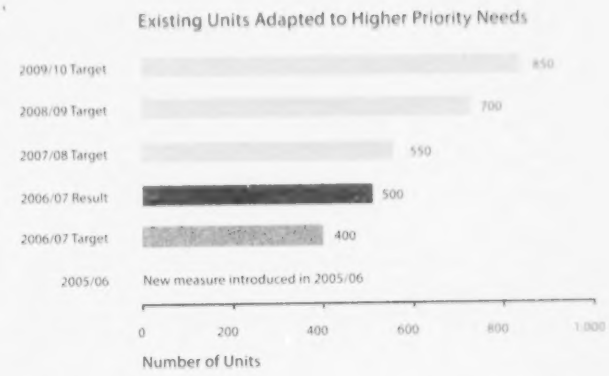
TARGET ACHIEVED

Importance of the Measure

The Provincial Housing Strategy stresses the importance of ensuring that those who are vulnerable receive priority for housing assistance. One way to meet these needs is through the conversion, adaptation or re-targeting of existing social housing units. Partnerships, including those with local health authorities, government ministries, local agencies and service providers are critical to achieving this measure.

Performance Results 2006/07

In 2006/07, 500 existing housing units were allocated to better meet the needs of priority groups. One hundred and thirty-eight individuals with a mental illness or alcohol and drug addiction were assisted through the Health Services Program while 154 women and children fleeing abuse were assisted through BC Housing's Priority Placement Program. In addition, new partnerships were established with local health authorities across the province, allowing for an additional 200 units to be targeted to individuals with specific housing and support needs. The target for 2006/07 was adjusted from 240 to 400 units and has been exceeded by 25%. Establishing new partnerships in the community has been a priority which resulted in a greater than expected number of units being adapted.



MEASURE: NUMBER OF NEW HOUSEHOLDS ASSISTED THROUGH RENT ASSISTANCE PROGRAMS (NEW)

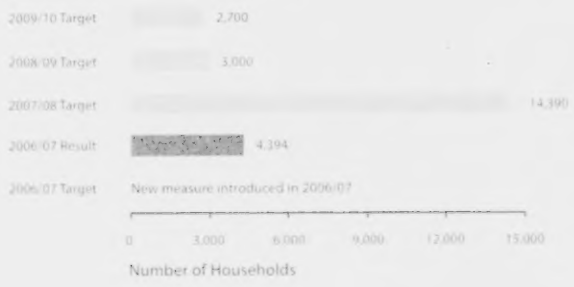
Importance of the Measure

Rent assistance programs assist families and seniors who do not have enough income to find housing in the private market. The Province funds a number of rent assistance programs including the Shelter Aid for Elderly Renters (SAFER) program for seniors, and the Rental Assistance Program for low-income working families.

Rent assistance programs help to bridge the gap between what a household can afford to pay and help to provide greater housing choices in the private market. By the end of 2009/10, it is expected that rent assistance will be provided to more than 33,000 households.

Performance Results 2006/07

New Households Assisted Through Rent Assistance Programs



FUTURE DIRECTIONS

Goal 2 Protect and Manage Existing Housing for the Long Term

The Canada – B.C. Social Housing Agreement

On June 19, 2006, the Government of Canada and the Province of British Columbia signed the Canada – B.C. Social Housing Agreement, transferring the federal administration of the social housing portfolio to the province of British Columbia.

The transfer will:

- Help streamline and simplify administration for B.C. and
- Allow the Province to provide access to housing programs through one window delivery.

The province can use savings generated through the transfer, as well as federal funds to maintain existing housing and to expand the inventory for low-income citizens.

The existing portfolio of social housing represents an important asset for addressing local housing needs. It is also an important element in achieving the government's vision of building the best system of support for people with disabilities, those with special housing needs, children at risk and seniors. Through maintaining high building and property maintenance standards, we can provide good quality housing as well as protect the taxpayers' investments in social housing. This housing also contributes to a high quality of life for residents and to the social infrastructure of local communities.

The measures set out in this section focus on our success in delivering value to our clients, our shareholder and local communities across the province through the careful management of existing resources. This is accomplished through working with the non-profit and cooperative housing sector to ensure that key financial and operating standards are met, as well as ensuring that adequate provisions are in place for meeting future building requirements.

Client feedback also plays an important role in providing the assurance that existing management practices are achieving positive results. Over the longer term, BC Housing will continue to explore cost-effective and client focused strategies that will not only add to the existing inventory of units, but also continue to preserve and maintain the existing stock over the long term.

MEASURE: PERCENTAGE OF CLIENTS REPORTING SATISFACTION WITH THE QUALITY AND SAFETY OF THEIR HOUSING

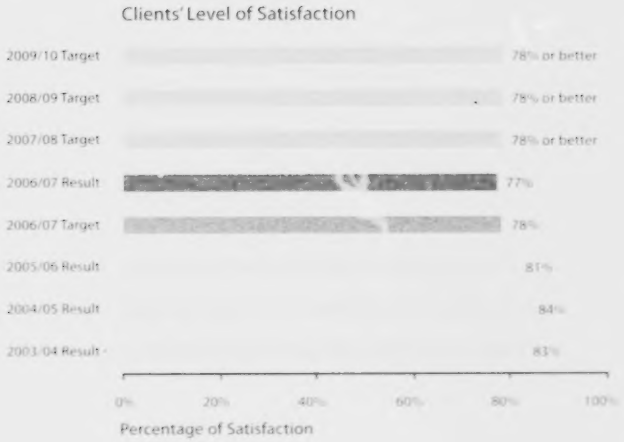
TARGET SUBSTANTIVELY ACHIEVED

Importance of the Measure

Client feedback provides assurance that existing management practices are achieving intended results. This feedback is obtained through an annual survey of tenants living in public housing and helps to ensure that tenants are receiving the services and support that they need. Year-over-year results are analyzed across developments and client groups, thereby helping to provide important insight that can be used to strengthen and improve the services that we provide.

Performance Results 2006/07

In 2006/07, 77% of tenants living in housing managed by BC Housing reported that they were satisfied or very satisfied with their overall housing situation. The results are based the responses received to the question, "How satisfied are you with your overall housing situation?" which is included as part of an annual survey of tenants living in public housing. Approximately 3,453 individuals responded to the survey in 2006/07, representing an overall response rate of 48%. The results are below the target for 2006/07 and the results reported in the previous years. It is expected that satisfaction levels may continue to decrease as BC Housing continues housing more vulnerable clients. In response to these changing needs, we have been working with local communities to put into place a number of targeted community support and tenant engagement strategies.



MEASURE: PERCENTAGE OF SOCIAL HOUSING PROVIDERS MEETING FINANCIAL AND OPERATIONAL STANDARDS (REVISED)

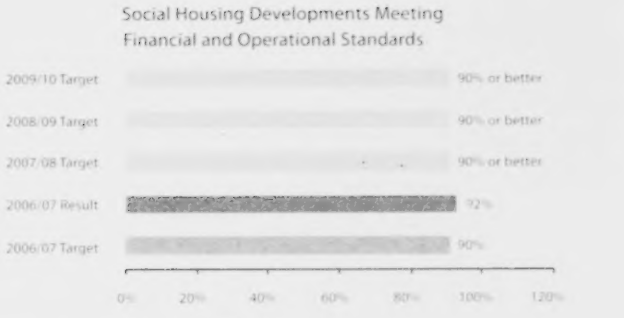
TARGET ACHIEVED

Importance of the Measure

This measure ensures social housing is well-managed, well-maintained and protected for the long term through financial and operational reviews. The operational review process is based upon site and building audits designed to assess provides performance in the following key areas: maintenance and building inspections; financial management; resident management; information and records management; and human resource management. A score is assigned based on the assessment and appropriate follow-up actions are taken.

Performance Results 2006/07

It should be noted that as part of the 2007/08 Service Plan review process, the measure *Social Housing Developments Meeting "Best Management Practices"* has been revised. In reviewing BC Housing's existing Service Plan measures, it was determined that, while experience has suggested that developments showing a high level of financial risk may be a lead indicator of operational risk, the results from BC Housing's operational review process may provide a more meaningful measure. The high target provides the assurance that the existing stock is well-managed and well-maintained and that problems are being addressed. Based on the results for 2006/07, approximately 92% of housing providers are meeting an acceptable standard. Where standards are not being met, a management team is put in place to assist the individual housing providers. See Appendix A (page 61) for a full disclosure on performance.



MEASURE: DEVELOPMENTS WITH ADEQUATE REPLACEMENT RESERVE PLANS

TARGET ACHIEVED

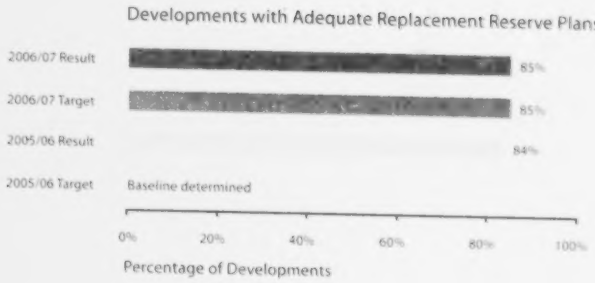
Importance of the Measure

Planning for future requirements is part of sound fiscal management and public accountability. This measure ensures that appropriate planning and budgeting practices are in place to ensure the long-term viability of the existing stock.

Performance Results 2006/07

This measure was introduced in the 2005/06 Service Plan with a focus on the percentage of social housing developments with adequate replacement reserve plans in place. The adequacy of provisions is determined using a formula that takes into account the client type, the current replacement reserve balance and the size of the development. In cases where a housing provider is below the established standard, BC Housing will actively work with the housing provider to ensure that actions are taken to protect the stock over the long term. As of March 31, 2007, 85% of housing providers had replacement reserve balances that met the established guidelines.

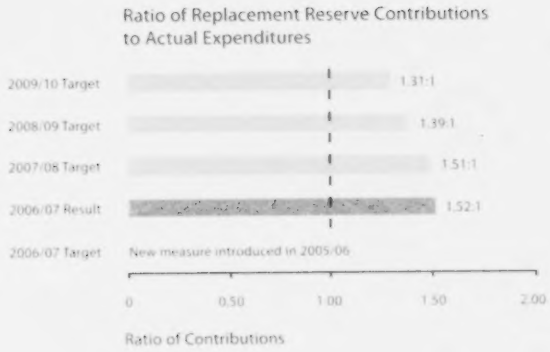
It should be noted that as part of the 2007/08 Service Plan review process, a decision was made to look at this measure to determine if it would be possible to develop a better measure which could provide a better sense of the potential funding gap between future needs and the funding that is in place to meet these needs, thereby helping to minimize the potential for unplanned future risk. As a result of the analysis, this measure has been revised (see discussion overleaf).



MEASURE: RATIO OF REPLACEMENT RESERVE CONTRIBUTIONS TO ACTUAL EXPENDITURES (REVISED)

Importance of the Measure

A replacement reserve is money set aside to refurbish or replace building components (such as roofs and appliances) that wear out over the life of a building. While the ultimate test is whether sufficient funds are available when the refurbishment is needed, an important interim test is whether sufficient money is set aside to cover a building's expected expenses over its lifetime. The reserve contribution/expenditure ratio changes with the age of the buildings. The annual contribution stays the same, based on a life costing model, but the older the building, the more expenditure is required to maintain it. Hence, in the early life of a building, the ratio is high because contributions exceed expenditures. Similarly, as the building ages, the ratio falls and even drops below one as surplus funds are drawn down to meet the higher costs of an older building.



Performance Results 2006/07

As of March 31, 2007, the ratio of contributions is equal to 1.52:1, this is appropriate for the age and quality of the non-profit portfolio. This means that under the current formula, annual contributions to individual reserve funds are greater than the expenditures and that the reserve balances will continue to grow. The annual contribution stays the same over the life of the building with the initial funding levels being based on a life cycle costing model. As the portfolio continues to age, the ratio of contributions to expenditures will change as expenditures increase. Over time, it is expected that the ratio will continue to fall and in some cases even drop below one as housing providers draw down their reserves in order to meet the higher costs of maintaining older housing stock.

FUTURE DIRECTIONS

Existing building and unit audits, as well as third party studies, suggest that the current condition of our social housing buildings is adequate. As the portfolio ages, redevelopment, regeneration and retrofit initiatives may be required to optimize the use of these assets to better serve the needs of tenants. The transfer of the administrative responsibility for the federal social housing portfolio in 2006/07 has also provided opportunities for the harmonization of existing programs designed to generate efficiencies and create additional capacity at key points along the housing continuum.

Goal 3 Provide Access to Appropriate Housing and Services for Vulnerable British Columbians

Priority Access for Special Needs Households

An important policy direction of the Provincial Housing Strategy, *Housing Matters BC*, is that individuals or households with special housing needs be given priority access to subsidized housing.

We are working to ensure that this is the case by undertaking a review of the eligibility and placement process.

Three ways we are providing priority access to subsidized housing are:

- As a result of our *Eligibility and Application Review* project (ongoing), which addresses applicant and tenant needs as they relate to health and social supports;
- Through development of a database of physical building characteristics needed to match applicants to appropriate units; and,
- By conducting a review of each social housing development to determine its best use and to generate plans to ensure its best use.

The measures related to this goal are about making a difference in the lives of vulnerable families and individuals by ensuring that limited housing resources are used as effectively as possible.

The most acute housing need can be found among low-income households that face a combination of challenges. Access to stable housing is important in enabling vulnerable families and individuals to move toward self-reliance, independence and opportunity.

The existing inventory of subsidized housing plays a critical role in ensuring that vulnerable British Columbians have access to the services and supports that they need. From emergency shelters to longer-term, supported living, BC Housing is committed to supporting these needs and to assisting individuals and families to move toward greater independence.

The measures under this goal focus on two key strategic objectives:

- Ease of access to housing; and
- Ensuring that available housing resources are targeted to vulnerable citizens.

This includes ensuring that individuals or households with special housing needs will be given priority access to subsidized housing as set out in the Provincial Housing Strategy.

Goal 3 Provide Access to Appropriate Housing and Services for Vulnerable British Columbians (continued)

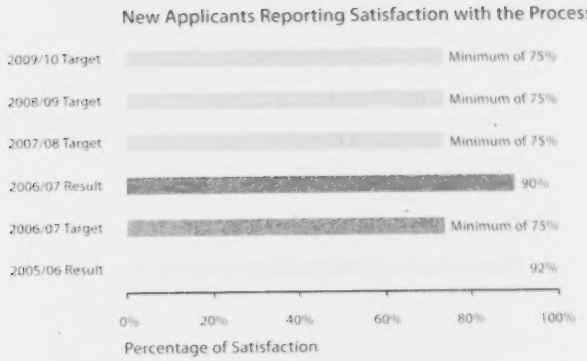
MEASURE: PERCENTAGE OF NEW APPLICANTS REPORTING SATISFACTION WITH THE PROCESS — TARGET EXCEEDED

Importance of the Measure

This measure allows BC Housing to view our success from an applicant perspective and enables us to assess the degree to which applicants are receiving the information that they need when applying for housing assistance. It is an important customer-feedback mechanism designed to strengthen and improve our business processes.

Performance Results 2006/07

This measure reports on the percentage of applicants indicating that they are either satisfied or very satisfied with the application process including the information that they received and the assistance provided through BC Housing. The target reflects a basic benchmark established through applicant feedback. Based on the results for 2006/07, 90% of applicants were satisfied with the process. The results are extremely high, raising a concern that the inclusion of the feedback form in the application package may be positively skewing the results. As BC Housing reviews the applicant eligibility criteria, the process for gaining feedback from the applicants will also be examined. The results of the applicant survey will be verified by an independent external research firm.



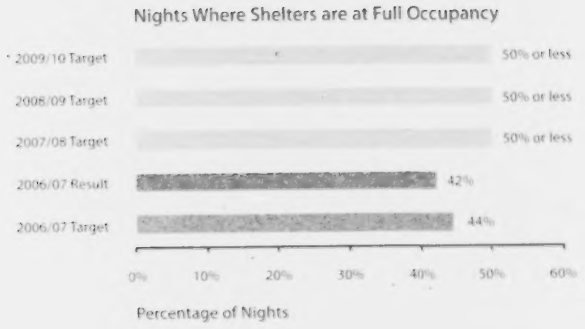
MEASURE: PERCENTAGE OF NIGHTS WHERE SHELTERS ARE AT FULL OCCUPANCY — TARGET ACHIEVED

Importance of the Measure

This measure is to ensure an optimal level of occupancy, while at the same time providing those in immediate housing need with access to the services and supports that they require. Emergency shelters are often an important point of access for moving a homeless individual to the next stage on the housing continuum. This measure reports on the capacity of the emergency shelter system and the ability of those who are homeless to access one of the 1,321 shelter beds under the Province's Emergency Shelter Program.

Performance Results 2006/07

The number of nights where shelters were at full capacity was 42% in 2006/07 and is expected to remain below 50% in order to be able to allow people access to shelter beds across the province. BC Housing wants to ensure that shelter space is well used (i.e. high occupancy rate over the year), but also that shelters are not at full capacity, as they tend to be in the winter months, so that people must be turned away. In measuring and reporting results, it is important to recognize that a range of external factors can influence the outcomes, such as differences across regions, client groups, and seasons.



MEASURE: PERCENTAGE OF CLIENTS BELONGING TO PRIORITY GROUPS

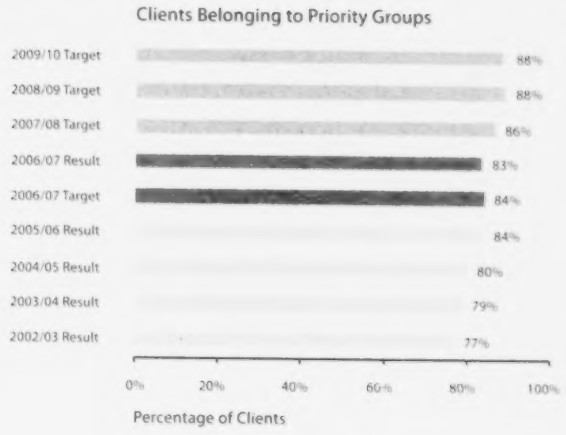
TARGET SUBSTANTIVELY ACHIEVED

Importance of the Measure

Recognizing the difference that access to housing makes in the lives of vulnerable individuals, this measure reports the effectiveness of our current practices in allocating resources to those most in need. In keeping with directions set out in the Provincial Housing Strategy, this measure allows us to define our success in ensuring that B.C.'s vulnerable citizens receive priority for assistance.

Performance Results 2006/07

As of March 31, 2007, 83% of all households receiving housing assistance were within one of the designated priority groups. This includes seniors and persons with physical or mental disabilities including those with a mental illness. It also includes women and children who have experienced domestic violence as well as those facing alcohol and drug addiction challenges and those who are homeless or at risk of becoming homeless. The percentage of priority groups assisted is expected to increase as existing units are adapted or converted and as new units reach completion.



FUTURE DIRECTIONS

Ensuring vulnerable families and individuals have access to housing and support services will continue to be an important priority. To support the key directions set out under the Provincial Housing Strategy, BC Housing is actively engaged in a process with the housing sector to review the current applicant eligibility guidelines for access to social housing.

Recognizing that access to safe and affordable housing is a critical step in helping those who are homeless, BC Housing has also engaged in a shelter capacity and program review to be completed in 2007. In addition, resources were committed to launch a province-wide homeless outreach program to help address homelessness and to ensure that individuals who are homeless gain access to the services and supports that they need to change their situation. Implementing these strategies will represent an important area of focus going forward.

Goal 4 Organizational Excellence

People Strategy

Launched in 2006, the three-year People Strategy was developed based on the outcomes of the 2005 Strategic Planning session.

BC Housing monitors key metrics and, each year, introduces or adjusts people-focused practices to continually improve employee engagement.

The Strategy is divided into six major components:

- Leadership
- Learning and Growth
- Rewards and Recognition
- Recruitment and Selection
- Communication
- Alignment/Culture

Providing cost-effective solutions and value for money is central to BC Housing's success in building and maintaining a sustainable housing system.

The measures set out in this section are about ensuring that we deliver the best possible services in a cost-effective and competitive manner. This includes continuing to identify organizational and operational efficiencies, as well as ensuring that we have the appropriate structures and processes in place to control costs and manage risks.

Central to this goal is a commitment to building on the skills, energy, talent and dedication of the organization's people. Over the past year, we have made significant investments to create and implement an effective People Strategy across the organization. The strategy plays an important role in our success in recruiting and retaining skilled, creative and committed employees, both today and for the future.

BC Housing's culture is characterized as: professional and well run; progressive and responsive to changing social pressures; and passionate about the socially relevant work we do. This is how we approach our role as both a service deliverer and an employer, which in turn fosters a high level of employee engagement and productivity.

MEASURE: CONTROLLABLE ADMINISTRATION COSTS AS A PERCENTAGE OF PROGRAM DELIVERY COSTS

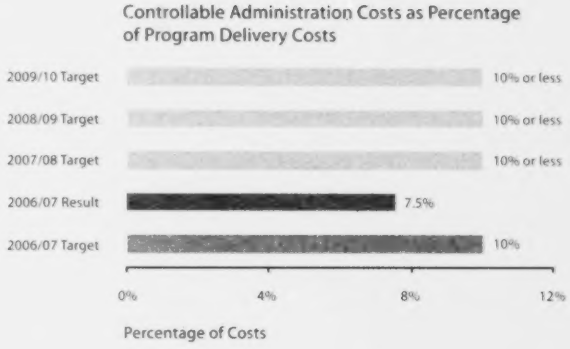
TARGET ACHIEVED

Importance of the Measure

This measure is a standard financial measure that assesses the efficiency of BC Housing's management practices by comparing the percentage of controllable administration costs to program delivery costs.

Performance Results 2006/07

A target of 10% has been set to ensure that BC Housing maintains a high level of performance. A benchmarking study completed in 2006/07 showed that BC Housing had one of the lowest cost profiles across all organizations involved in the study. The results for 2006/07 indicate that BC Housing is achieving a high level of performance with 7.5% of administration costs as a percent of program delivery costs. The results are benchmarked against the performance of housing providers in other jurisdictions.



MEASURE: PER-SQUARE-FOOT CONSTRUCTION COSTS

TARGET ACHIEVED

Importance of the Measure

This measure benchmarks the per-square-foot construction cost of new housing developments with comparable developments in the private sector. This is an important measure of the cost-effectiveness of our development practices.

Performance Results 2006/07

The results for 2006/07 compared a sample of six (6) non-profit developments with eight (8) private market developments, as well as industry data. This data showed that BC Housing's per square foot construction costs, which averaged $143.65 per square foot, were within 2.72% of the costs reflected in industry data. This result shows that BC Housing is achieving costs that are comparable with the market and demonstrate value-for-money. This is an important result in that there is a significant level of volatility in the current housing construction industry with rising costs in materials as well as a shortage of skilled labour having an impact on results.

Per-Square-Foot Construction Costs

2009/10 Target	Within ±5% of the private sector benchmark
2008/09 Target	Within ±5% of the private sector benchmark
2007/08 Target	Within ±5% of the private sector benchmark
2006/07 Result	Within 2.72% of the private sector benchmark
2006/07 Target	Within ±5% of the private sector benchmark

MEASURE: EMPLOYEE ENGAGEMENT INDEX

TARGET ACHIEVED

Importance of the Measure

BC Housing recognizes the critical role that its employees play in its organizational success. Employee engagement is a productivity indicator, based on employee satisfaction and motivation. A focus on employee engagement fosters an environment of greater creativity, innovation, organizational excellence and customer service. A significant contributor to an engaged workforce is access to learning and growth opportunities, which serve to meet business objectives as well as the personal aspirations of employees.

Performance Results 2006/07

The measure is based on an annual survey that gathers feedback from staff on different aspects of their work environment. The survey is designed to gauge the extent to which BC Housing has been successful in building a culture of employee engagement and to identify opportunities for improvement. Results are benchmarked with other employers through the use of standard industry survey instruments. In January 2007, 67% of staff participated in a survey, the results of which placed BC Housing in the top quartile of comparable employers. The target is set to ensure that employee engagement continues to be an important focus within the organization and is supported by the development and implementation of a three-year People Strategy.

Employee Engagement Index

2009/10 Target	Top quartile of benchmark employers
2008/09 Target	Top quartile of benchmark employers
2007/08 Target	Top quartile of benchmark employers
2006/07 Result	BC Housing Top Quartile of benchmark employers
2006/07 Target	Top quartile of benchmark employers

FUTURE DIRECTIONS

BC Housing's focus is on customer service, organizational excellence and innovation in order to deliver on the government's commitment to vulnerable British Columbians. The implementation of BC Housing's multi-year People Strategy is an important element towards realizing this vision. This includes working to promote a culture of learning and innovation, as well as building and maintaining a high level of employee engagement.

Looking for new and better ways to use existing housing buildings, control costs and streamline and improve program administration are also important parts of this goal. Central to these strategies are innovations in research and information technology that support continuous business improvement.

Management Discussion and Analysis

OPERATIONAL OVERVIEW - 2006/07 ACTUALS

Funding	Program Expenditures	Service Allocation	Households Served
Provincial Government $258.6 M	Emergency Shelter and Housing for the Homeless $108.8 M	Emergency Shelter and Housing for the Homeless 5,101 units	Homeless 5,101 households
Federal Government $135.9 M	Transitional Supported and Assisted Living $106.2 M	Transitional Supported and Assisted Living 15,045 units	Special Needs 9,314 households
Tenant Rent $29.7 M	Independent Social Housing $244.0 M	Independent Social Housing 43,639 units	Aboriginal 3,358 households
Provincial Partnering Ministries $60.0 M	Rent Assistance in the Private Market $38.4 M	Rent Assistance in the Private Market 16,941 units	Seniors 45,411 households
Other $13.3 M			Low-Income Families 17,542 households
Total Revenues **$497.5 M**	**Total Expenses** **$497.4 M**	**Total Units** **80,726**	**Total Households Served** **80,726**

In 2006/07, BC Housing saw the largest growth in resources in its 40-year history. The organization's revenues jumped by 45 per cent ($154 million) and greatly improved its ability to provide affordable, safe, quality housing to B.C.'s vulnerable citizens. This increase in resources largely consisted of:

- $56 million to offset the cost of construction of new units built under the Provincial Housing Program (PHP), Independent Living BC (ILBC), and the Provincial Homeless Initiative (PHI);
- $51 million to acquire Single Room Occupancy hotels and apartment buildings;
- $33 million for the administration of federal social housing under the Social Housing Agreement;
- $5 million for the conversion of independent social housing to supportive housing under the Supportive Seniors Housing program; and
- $3 million for rent assistance for low-income working families under the Rental Assistance Program.

SUMMARY OF FINANCIAL RESULTS AND BUDGET PROJECTIONS – 2002/03 to 2009/10

(in thousands of dollars)

* In 2006/07, this includes funding of $258.6 million provided directly by the provincial government to BC Housing, plus $60 million provincial funding provided through other provincial partnering ministries.

** This includes tenant rent and revenue from other sources.

In 2006/07, total provincial spending through BC Housing was $319 million, an increase of 59 per cent over the $200 million spent in 2005/06. This increase was targeted towards B.C.'s vulnerable citizens by expanding the supply of provincially administered housing serving frail seniors and homeless/at risk families and individuals and through rent assistance for low-income, working families.

ASSETS

Total assets increased by 12 per cent or $25 million in 2006/07, mostly due to an increase in cash and short-term investments which offset declines in receivables from the Canada Mortgage and Housing Corporation (CMHC) and for proposal development advances. At year end, BC Housing held $56 million more in cash and short-term investments than in the prior year. Offsetting this was a $21 million decline in the amount due from CMHC and a $10 million decline in proposal development advances to housing providers.

BC Housing's positive cash position benefited greatly from a number of transactions in the last few months of the fiscal year:

- $56 million was received from the Province to offset the cost of construction of new units built under housing programs;
- $51 million was received from the Ministry of Employment and Income Assistance for the purchase of single room occupancy hotels and apartment buildings by the Provincial Rental Housing Corporation;
- $24 million was received from CMHC for the transfer of reserves for future interest rate increases and mortgage loan losses; and
- $28 million was received from the Province immediately before year-end, which was earmarked for 2007/08, first-month expenditures occurring in April 2007.

The influx of cash allowed BC Housing to do the following: retire borrowing from the Provincial Treasury (down by $51 million compared to the prior year); pay down construction loans provided to housing projects (down by $1.1 million, even though the units under construction or development were up by more than 1,300 units); set aside $24 million in Social Housing Agreement Reserves; and increase its short-term investments (up by almost $28 million).

The last significant change on BC Housing's balance sheet came from the transfer of self insurance funds and group home replacement funds to the Provincial Rental Housing Corporation. These funds have been set aside to deal with liabilities that may arise in the housing portfolio owned by the Provincial Rental Housing Corporation. Consequently, it is more appropriate that the funds appear on the same balance sheet as the housing assets that they are intended to protect.

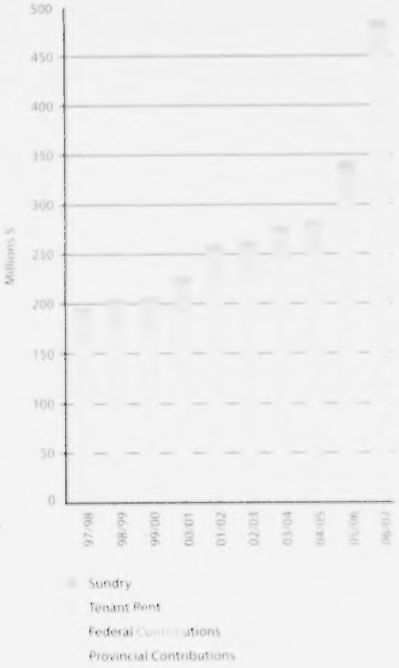
The Social Housing Agreement also resulted in a significant increase in the Provincial Rental Housing Corporation's investment in properties. This agreement transferred CMHC's 75 per cent ownership interest in public housing projects and CMHC's 100 per cent ownership of rural and native homes. These transfers added about $86 million to the investment in properties and about $79 million to the long-term debt on the Provincial Rental Housing Corporation's balance sheet. The remainder of the increase in the investment in properties is attributable to hotel, Provincial Homelessness Initiative and group home purchases.

REVENUES

BC Housing received total revenues of $498 million in 2006/07, an increase of 45 per cent over the prior year. The chart above shows the change in revenue over the last ten years. Provincial contributions have increased two and a half times over this period, which is mostly attributable to the construction of an average of more than 1,300 new affordable housing units each year. Federal contributions have increased by 88 per cent over the last ten years largely because of the devolution of federal social housing administration, building envelope repair costs and the impact of inflation on operating costs. Tenant rent and sundry revenues have been relatively stable over the decade.

Provincial contributions increased by $118 million in 2006/07, or 58 per cent more than the budget and the prior year. This increase was the result of the transfer of funding for the purchase of hotels and apartment buildings, the cost of construction of new units under housing programs and the conversion of social housing to supportive housing for seniors.

Revenue – 1997/98 to 2006/07



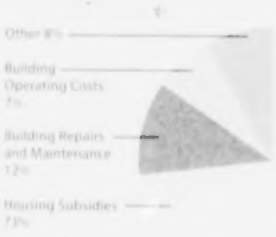
Through CMHC, total contributions from federal subsidies for 2006/07 were $136 million, an increase of 32 per cent over the prior year, but 3 per cent below budget. The increase was the result of the transfer of administration of devolved federal social housing under the Social Housing Agreement. The below-budget result was possible because the actual cost of administering the federal social housing portfolio was less than the amount of funding BC Housing negotiated from CMHC. This allowed BC Housing to set aside more than $4 million received in 2006/07 for future years.

Tenant rent revenue was on budget and unchanged from the prior year. Sundry revenue was more than 130 per cent above budget and almost $3 million higher than the prior year. Higher interest and development revenue was earned due to the greater volume of construction loans in place during the year (about $2 million more than the prior year). As well, BC Housing managed higher investment returns on its short-term investments, earning $1 million more than in the prior year.

PROGRAM EXPENDITURES

Total expenditures for 2006/07 were $497 million, an increase of 45 per cent over the prior year and 32 per cent above budget. The $154 million increase was primarily due to the construction of new affordable housing under housing programs, the acquisition of hotels and apartments, the conversion of social housing to supportive housing for seniors and the transfer of administration of devolved federal social housing under the Social Housing Agreement. Total expenditures above budget were possible as a result of contributions from the Ministry of Employment and Income Assistance for hotel and apartment purchases and contributions from the Province for the construction and conversion of social housing.

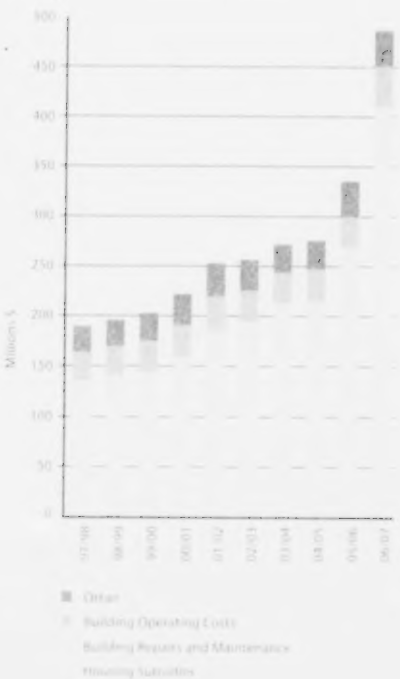
Expenditures – Actual 2006/07 ($497 M)



Subsidy payments to non-profit and cooperative housing providers and to individuals comprise 73 per cent of all costs and continue to be the largest component of BC Housing's budget. Total subsidies increased by 78 per cent over the prior year, in large part because of the $107 million allocated to one-time grants for the construction of new housing and the acquisition of hotels and apartment buildings.

The chart to the right shows BC Housing's expenditures over the past ten years. Total expenditures have more than doubled. Housing subsidy payments to non-profit and cooperative housing providers and to individuals have almost tripled, rising from $127 million in 1997/98 to $363 million in 2006/07. During this time period, BC Housing developed over 13,000 new affordable housing units. As well, enhancements to the SAFER program, introduced in October 2005, resulted in a 60 per cent increase in the average benefit paid to seniors – equating to about 2,000 more people receiving benefits and a $9 million increase in SAFER spending this year. The introduction of the Rental Assistance Program for low-income, working families in October 2006 heralded a new social program to improve the lives and housing conditions of the working poor and their children. In its first five months, this program has already helped about 1,400 families (exceeding the number of new units that have typically been constructed over an entire year and producing them at least 2 years faster than new housing could be constructed). In addition, the 2006/07 transfer of administration for federal social housing added $33 million in expenditures and about 16,700 units to BC Housing. Altogether, these changes have increased the households served by BC Housing by 36 per cent over the prior year (21,290 more households).

Expenditures – 1997/98 to 2006/07



The chart to the left also shows that building repair and maintenance costs more than tripled over the decade, rising from $16 million in 1997/98 to $59 million in 2006/07. BC Housing's expenditures for modernization and improvement ensure that the existing housing stock is protected and managed for the long term. In 2006/07, $24 million was spent on modernization and improvement (down 45 per cent from the prior year), $26 million was spent on building envelope repairs (up 31 per cent over the prior year) and $9 million was spent on minor maintenance (up 15 per cent over the prior year). The total decline in building modernization and improvement expenditures of 21 per cent (down $14 million over the prior year) is reflective of the much higher than normal investment in repairs made last year. When compared to the average amount spent over the past five years, spending on modernization and improvement in 2006/07 was up by 8 per cent.

The chart to the left also shows that operating expenses have been relatively stable over the past decade. Only building operating costs and building mortgage costs changed significantly during the year.

BC Housing's Statement of Operations shows that operating expenses almost tripled this year, rising from $5 million last year to $14 million this year. This increase is attributable to higher spending on information technology, advertising of new programs, and consulting costs necessary to manage the expansion of programs and services in recent years as well as the transfer of federal housing stock under the Social Housing Agreement. Building mortgage costs dropped by 38 per cent or $5 million with the execution of the Social Housing Agreement, which brought to an end mortgage payments to the Province on the public housing portfolio.

MANAGING RISK

BC Housing uses an enterprise-wide risk-management approach to identify and manage risks. All key operating departments determine risks, challenges and opportunities. Risk-management strategies are then employed that balance current and future market and budget pressures with timing and implementation strategies. BC Housing's executive meets quarterly to review the enterprise-wide risk registry and ensure that appropriate risk treatment plans are in place. The Audit and Risk Management Committee of the Board approves annually a risk-based master audit plan for the organization and meets quarterly to review the results of all internal audits completed since the last meeting.

KEY RISKS	ISSUE/CONSEQUENCES	RESULTS DURING 2006/07
Mortgage / interest rate increase	74% of BC Housing's budget is paid in subsidies to housing providers with mortgage principal and interest payments forming more than 60% of housing providers' operating costs. The mortgages administered by BC Housing now total $7.2 billion. A 1% increase above the budgeted mortgage rate increases housing subsidies by about $4.5 million in 2008/09.	BC Housing bulk tendered $191 million in mortgages during 2006/07 and achieved rates that were on average 50 basis points over the benchmark government of Canada bond. BC Housing continued to pursue a strategy of extending renewal dates to take advantage of the current low rates and provide certainty about mortgage payment requirements over the medium term. During 2006/07, BC Housing chose mortgage terms of 10 years or longer for 90% of mortgages tendered ($173 million) and obtained a weighted average rate of 4.92% for all mortgages tendered.
Construction cost increases	BC Housing had about $352 million in construction activity underway this fiscal year. Market influences including material costs, availability of skilled labour and insurance costs have caused construction prices to rise between 1% and 2% per month. A $10,000 per unit construction cost increase equals annual provincial subsidy requirements of $1.4 million in 2008/09.	BC Housing has publicly tendered construction projects in 2006/07. Cost increases were limited by bundling similar projects, establishing eligibility rosters and pursuing alternate construction forms including modular construction.
Capital asset repairs	As the public housing stock ages, it requires significant repairs to maintain health, safety and livability.	During the year, BC Housing completed a condition survey of all the public housing stock and developed a long-term plan to address the ongoing maintenance requirements. As well, BC Housing has identified public housing sites with redevelopment potential. On these sites, capital expenditures are limited to health and safety issues only. On the Little Mountain project, for example, a redevelopment plan has been announced that will see the demolition of post-World War II era housing and the replacement of the 224 units with an equal number of new units.

KEY RISKS	ISSUE/CONSEQUENCES	RESULTS DURING 2006/07
Business continuity	BC Housing is heavily reliant on technology. A failure of these systems – through a natural disaster or otherwise – would inhibit the delivery of our programs and services. As well, a large number of British Columbia's vulnerable citizens and the housing providers that serve them depend upon BC Housing for funding, service and housing. A major business interruption caused by a disaster, a pandemic or otherwise could cause severe hardship if BC Housing cannot produce payments and provide services.	During the year, BC Housing completed an update of its business continuity plan and tested it through a table-top exercise facilitated by the Justice Institute of B.C. The lessons learned by senior management have been incorporated into the plan. The business continuity plan includes first alert procedures for a major event or disaster, critical function procedures, an information technology disaster plan, a pandemic plan, an earthquake preparedness and response plan and the BC Emergency response management system.
Higher inflation	As a large funder of residential buildings, BC Housing is exposed to increases in utility and other operating costs. A 1% increase in CPI higher than budgeted increases expenses by $0.5 million.	During the year, BC Housing used bulk purchasing for insurance, natural gas, and appliances to combat inflation. As well, BC Housing continued to pursue energy efficiency upgrades to the public housing stock. Despite inflation, utilities costs actually decreased by 1.6% as a result of the energy efficiency upgrades.
Labour relations	BC Housing relies on its unionized workforce to provide services. A labour disruption would severely impact BC Housing's ability to provide services to tenants, applicants and housing providers. As well, due to the robust economy and low rate of unemployment, it is becoming increasingly difficult to hire and retain qualified staff.	During the year, BC Housing rolled out its People Strategy (a multi-year Human Resources Plan). With a focus on recruiting and retaining skilled, creative and committed employees, the People Strategy will foster a good working environment, build a culture of employee engagement, and ensure training and advancement opportunities are in place.

FUTURE OUTLOOK

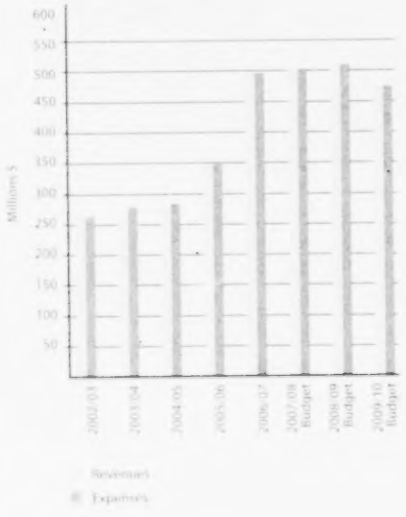
During the past five years, funding partners demonstrated their commitment to continue to deliver programs that provide affordable housing and remain committed to do so in the future. BC Housing's total approved budget of $505 million in 2007/08 will be the largest housing budget in the province's history. Total provincial spending in 2007/08 is budgeted at $328 million to cover SAFER, Rental Assistance Program, ILBC, the Provincial Homelessness Initiative and the management and maintenance of the public housing stock. Included in the 2007/08 budget is another $61 million in one-time grants to be spent on the construction and conversion of social housing.

In 2008/09, the continued development of new housing under the ILBC and PHI programs, together with one-time grants, will increase the total provincial spending on affordable housing (a further $70 million in one-time grants is included in the budget). In 2009/10, the total provincial spending will dip with the completion of the one-time grants and then, in subsequent years, provincial spending will continue to increase as housing projects under the ILBC, PHI and Supportive Seniors Housing programs are completed and begin to require operating subsidies.

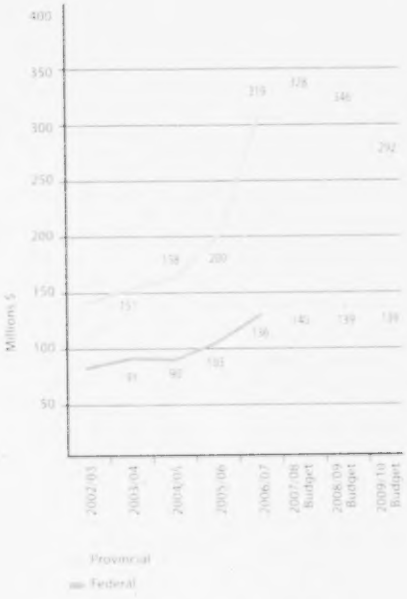
Federal contributions of $140 million in 2007/08 are expected as a result of the Social Housing Agreement between BC Housing and CMHC. This agreement transferred administrative responsibility for the federal housing portfolio in British Columbia to BC Housing. In future years, as federal housing projects reach the end of their operating agreements, federal contributions will gradually decline.

Through many cost-saving sustainability initiatives and program delivery models, BC Housing has developed strategies to manage expenditure growth, contain costs, and maximize the effectiveness of our programs. Strengthened partnerships for new developments and streamlined program delivery, including subsidy administration, along with continued reductions in administration expenses and overhead, and effective risk management strategies, will ensure BC Housing continues to meet its mandate in a cost-effective manner.

Revenues and Expenses



Contributions



Financial Statements

Statement of Management Responsibility

The financial statements of the British Columbia Housing Management Commission (the Commission) are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles, consistently applied and appropriate in the circumstances. The preparation of financial statements necessarily involves the use of estimates which have been made using careful judgment. In management's opinion, the financial statements have been properly prepared within the framework of the accounting policies summarized in the financial statements and incorporate, within reasonable limits of materiality, all information available at May 11, 2007. The financial statements have also been reviewed by the Audit and Risk Management Committee and approved by the Board of Commissioners.

Management maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, careful selection and training of qualified personnel and appropriate delegation of authority and segregation of responsibilities within the organization. An internal audit function independently evaluates the effectiveness of these internal controls on an ongoing basis and reports its findings to management and the Audit and Risk Management Committee.

The financial statements have been examined by independent external auditors. The external auditors' responsibility is to express their opinion on whether the financial statements, in all material respects, fairly present the Commission's financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles. The Auditors' Report, which follows, outlines the scope of their examination and their opinion.

The Board of Commissioners, through the Audit and Risk Management Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Audit and Risk Management Committee, which includes a director who is not an employee, meets regularly with the external auditors, the internal auditors and management to satisfy itself that each group has properly discharged its responsibility to review the financial statements before recommending approval by the Board of Commissioners. The Audit and Risk Management Committee also recommends the appointment of external auditors to the Board of Commissioners. The external auditors have full and open access to the Audit and Risk Management Committee, with and without the presence of management.

Shayne Ramsay
Chief Executive Officer

Dan Maxwell
Vice President of Corporate Services and Chief Financial Officer

May 11, 2007

Auditors' Report

To the Board of Commissioners of
British Columbia Housing Management Commission

We have audited the balance sheet of British Columbia Housing Management Commission as at March 31, 2007, and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2007, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at March 31, 2006 and for the year then ended were audited by another firm of chartered accountants who expressed an opinion without reservation in their report dated May 5, 2006.

Vancouver, Canada
May 11, 2007

BDO Dunwoody LLP

BDO Dunwoody LLP
Chartered Accountants & Advisors
600 Cathedral Place - 925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Balance Sheet

British Columbia Housing Management Commission

As at March 31	2007 ($000's)	2006 ($000's)
ASSETS		
Current		
Cash	$ 29,811	$ 1,497
Short term investments	62,785	34,895
Receivables	14,043	11,405
Prepaid expenses and housing subsidies	12,075	11,460
Due from Province of British Columbia	258	2,171
Due from Canada Mortgage and Housing Corporation	21,789	42,908
Current portion of mortgages receivable	75	76
Construction loans to housing projects (Note 3)	82,728	83,868
	223,564	188,280
Mortgages receivable (Note 4)	2,931	3,369
Long-term receivables	1,873	1,873
Proposal development advances (Note 5)	428	10,853
Capital assets (Note 6)	6,330	5,339
	$ 235,126	$ 209,714
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 23,778	$ 24,492
Deferred revenue (Note 7)	35,796	16,616
Due to Provincial Rental Housing Corporation (Note 8)	68,241	10,761
Tenants' prepaid rent	432	766
Due to Provincial Treasury	10,028	60,975
Society funds held on deposit (Note 9)	19,590	16,430
Grants received in advance of construction (Note 10)	51,723	64,093
Self Insurance Funds (Note 11)	-	9,553
Group Home Replacement Funds (Note 12)	-	5,885
	209,588	208,571
Social Housing Agreement Reserves (Note 13)	24,289	
	233,877	208,571
PROVINCE'S ACCOUNT	1,249	1,143
	$ 235,126	$ 209,714

Commitments (Note 15) • Contingency (Note 17)

On behalf of the Board

Chair

See accompanying notes to the financial statements

Statement of Operations

British Columbia Housing Management Commission

As at March 31	2007 ($000's)	2006 ($000's)
REVENUE		
Provincial contributions	$ 318,644	$ 200,274
Federal contributions	135,852	102,904
Tenant rent	29,733	29,506
Other	13,311	10,438
	497,540	343,122
EXPENSES		
Housing subsidies	362,621	203,765
Building modernization and improvement	49,980	63,631
Salaries and labour	27,894	26,317
Operating expenses	14,318	5,293
Office and overhead	9,187	7,664
Building maintenance	9,064	7,860
Utilities	9,047	9,315
Building mortgage costs	7,930	12,860
Grants in lieu of property taxes (Note 14)	5,128	5,216
Interest expense	2,265	1,133
	497,434	343,054
Excess of revenue over expenses	106	68
Province's account, beginning of year	1,143	1,075
Province's account, end of year	$ 1,249	$ 1,143

See accompanying notes to the financial statements

Statement of Cash Flows

British Columbia Housing Management Commission

As at March 31	2007 ($000's)	2006 ($000's)
Cash flows provided by (used in)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ 106	$ 68
Adjustments to determine cash flows:		
Depreciation	3,846	1,977
Change in non-cash working capital	18,731	(20,075)
	22,683	(18,030)
INVESTING ACTIVITIES		
Short term investments	(27,890)	(13,702)
Mortgages receivable	439	13,001
Long-term receivables	-	4
Proposal development advances	10,425	(3,415)
Construction loans provided to housing projects	1,140	(71,981)
Additions to capital asses	(4,837)	(3,515)
	(20,723)	(79,608)
FINANCING ACTIVITIES		
Deferred revenue	19,180	16,262
Advances from Provincia Rental Housing Corporation	42,042	3,129
Due to Provincial Treasury	(50,947)	53,962
Society funds held on deposit	3,160	3,420
Grants received in advance of construction	(11,370)	20,479
Social Housing Agreement Reserves	24,289	
	26,354	97,252
Increase (decrease) in cash	28,314	(386)
Cash, beginning of year	1,497	1,883
Cash, end of year	$ 29,811	$ 1,497

See accompanying notes to the financial statements

1. GENERAL

The British Columbia Housing Management Commission is a Crown agency, established in 1967, responsible for: developing new social housing under Independent Living BC, the Provincial Housing Program and the Provincial Homelessness Initiative; for administering the Province's Shelter Aid for Elderly Renters program and Rental Assistance Program; and for administering a variety of other federal and/or provincial housing programs. The Commission manages public housing stock and administers agreements relating to units managed by housing sponsors. The Commission ensures that provincial housing policy is reflected in its programs and that these are delivered in a co-ordinated, cost-effective manner. The Commission is exempt from federal and provincial income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Use of Estimates

In preparing these financial statements, management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Tenant Rent Revenue

Tenant rent revenue represents rent charged to residents, and is determined as the lesser of market rent and a percentage of each resident's income.

Short Term Investments

Short term investments include bonds, marketable securities, income and investment trust funds and bond, equity and mortgage funds. Short term investments are stated at the lower of cost and net realizable value.

Capital Assets

Capital assets are recorded at cost and depreciated over their estimated useful lives. Both computer hardware and software are depreciated on the straight-line method over three years. All other capital assets are depreciated on the straight-line method over five years.

Employee Benefit Plans

The employees and employers of the public service contribute to the Public Service Pension Plan (the Plan), a jointly trusteed pension plan. The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits are defined. The Plan has about 51,000 active plan members and approximately 30,000 retired plan members.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The latest valuation as at March 31, 2005, indicated an unfunded liability of $767 million for basic pension benefits. The next valuation will be as at March 31, 2008 with results available in early 2009. The actuary does not attribute portions of the unfunded liability to individual employers. The Commission paid $1,742,964 for employer contributions to the Plan in fiscal 2007 (2006: $1,224,215). The employee contribution to the Plan was $1,547,245 in fiscal 2007 (2006: $1,049,570).

Financial Instruments

The Commission's financial instruments consist of cash, short term investments, receivables, loans and advances, mortgage receivables, payables and amounts due to/from Canada Mortgage and Housing Corporation, Provincial Rental Housing Corporation and Provincial Treasury. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. Except for short term investments, the fair value of these instruments approximates their carrying values. The fair value of short term investments is $63,293,000 (2006: $36,526,000).

In 2007/2008 fiscal year, the Commission will adopt new accounting standards for financial instruments in accordance with the recommendations of the Canadian Institute of Chartered Accountants. This will require the Commission to record the short term investments at their fair market value. The impact as of April 1, 2007 is an unrealized gain to the Province's Account of $508,000.

3. CONSTRUCTION LOANS TO HOUSING PROJECTS

In its capacity as a National Housing Act approved lender, the Commission funds construction draws for societies who are building approved projects under social housing programs. These advances are repaid at substantial completion of each project from financing arranged with private lenders. Societies are charged interest at the Province's weighted average borrowing rate for short-term funds, plus administration costs.

The Provincial Treasury provides funding to the Commission for the purpose of advancing loans for construction. These loans are unsecured and bear interest at the Province's weighted average borrowing rate for short-term funds. The Commission has the authority to borrow up to a maximum of $165 million from the Provincial Treasury.

4. MORTGAGES RECEIVABLE

The Commission, in its capacity as a National Housing Act approved lender, occasionally acts as the take-out lender for some projects. These mortgages are generally held for a short period, one year or less, until such time as the borrower confirms its long-term financing arrangements. The mortgages are secured by property and bear interest at rates from 4.18% to 9.58%.

5. PROPOSAL DEVELOPMENT ADVANCES

Loan advances are made to sponsoring societies for needs studies, incorporation and site development costs. These advances are non-interest bearing and are normally repaid upon project completion or remain outstanding for three years, at which time they are written-off. An allowance is established for the value of advances outstanding whenever there is uncertainty about projects proceeding to the final commitment stage. An allowance was not considered necessary for this year or prior.

6. CAPITAL ASSETS

	Cost	Accumulated depreciation	2007 ($000's) Net book value	2006 ($000's) Net book value
Computer software	$ 12,303	$ 8,057	$ 4,246	$ 3,940
Computer hardware	5,798	5,233	565	589
Tenant improvements	2,642	2,025	617	160
Office furniture	2,136	1,521	615	432
Office equipment	777	734	43	87
Vehicles	293	93	200	80
Grounds equipment	264	220	44	51
	$ 24,213	$ 17,883	$ 6,330	$ 5,339

7. DEFERRED REVENUE

These funds are restricted contributions received in advance of related expenditures that are incurred in the following fiscal year.

	2007 ($000's)	2006 ($000's)
Provincial Contributions	$ 28,414	$ 16,195
Canada Mortgage and Housing Corporation	7,327	
Other Agencies	55	421
	$ 35,796	$ 16,616

The Social Housing Agreements Reserves (Note 13) represent further restricted contributions from Canada Mortgage and Housing Corporation of a long term nature.

8. DUE TO PROVINCIAL RENTAL HOUSING CORPORATION

Amounts represent funds advanced for the acquisition and development of properties under social housing programs. The advances are non-interest bearing with no set terms of repayment.

9. SOCIETY FUNDS HELD ON DEPOSIT

These funds represent the balance of mortgage advances held to cover various non-profit society construction and soft costs required to complete their projects. Interest accrues on the society funds at the province's weighted average borrowing rate for short term funds.

10. GRANTS RECEIVED IN ADVANCE OF CONSTRUCTION

The Commission receives funds from the Province and Canada Mortgage and Housing Corporation (CMHC), the use of which is restricted to the construction of specific social housing projects.

	Balance, beginning of year ($000's)	Grant received (transfers) ($000's)	Construction costs incurred ($000's)	Balance, end of year ($000's)
Project Grants	$ 38,602	$ 20,042	$ (36,096)	$ 22,548
CMHC – Phase 1	8,160	4,325	(8,664)	3,821
CMHC – Phase 2	11,983	22,262	(14,070)	20,175
Ministry – Other	4,348	107,881	(107,050)	5,179
	$ 63,093	$ 154,510	$ (165,880)	$ 51,723

11. SELF INSURANCE FUNDS

During the year, the Commission transferred the Self Insurance Funds to the Provincial Rental Housing Corporation. In previous periods, these funds were recorded as liabilities of the Commission to cover claims below the deductible amounts of insured properties and for uninsured losses. The funds are now recorded as reserves in the shareholder equity of the Provincial Rental Housing Corporation.

	2007 ($000's)	2006 ($000's)
Balance, beginning of year	$ 9,553	$ 8,048
Additional funding	1,900	1,251
Interest earned	295	344
	11,748	9,646
Less: claims expense	(358)	(93)
transfer to Provincial Rental Housing Corporation	(11,390)	
Balance, end of year	$ -	$ 9,553

12. GROUP HOME REPLACEMENT FUNDS

During the year, the Commission transferred the Group Home Replacement Funds to the Provincial Rental Housing Corporation. In previous periods, these funds were recorded as liabilities of the Commission to fund major repairs and maintenance of buildings owned by the Provincial Rental Housing Corporation. The funds are now recorded as reserves in the shareholder equity of the Provincial Rental Housing Corporation.

	2007 ($000's)	2006 ($000's)
Balance, beginning of year	$ 5,885	$ 6,116
Additional funding	1,129	913
Interest	132	112
	7,146	7,140
Less: expenditures for repairs and maintenance	(1,604)	(1,255)
transfer to Provincial Rental Housing Corporation	(5,542)	
Balance, end of year	$ -	$ 5,885

13. SOCIAL HOUSING AGREEMENT RESERVES

The funds are available to offset future cost increases in the federal social housing portfolio due to inflation and changes in interest rates, or losses on loans owing by third parties. The funds are restricted under the Social Housing Agreement for only these purposes.

14. GRANTS IN LIEU OF TAXES

The Commission, on behalf of the Province and CMHC, pays each municipality a grant equivalent to gross property taxes due for all residential properties and projects included.

15. COMMITMENTS

The Commission has minimum rental obligations under operating leases for office space over the next five fiscal years as follows:

	($000's)
2008	$ 2,034
2009	1,821
2010	1,867
2011	793
2012	229

16. RELATED PARTY TRANSACTIONS

In the normal course of operations, the Commission acquires goods and services from the Province and certain crown corporations, under prevailing trade terms.

These statements do not include the capital cost of the projects, which are owned by Provincial Rental Housing Corporation (PRHC). However, an amount equivalent to depreciation on those capital costs is in part payable to PRHC and in part credited to CMHC.

17. CONTINGENCY

Building Envelope Failure

In response to industry concerns and experience regarding building envelope failure, the Commission undertook a systematic review of non-profit and co-operative owned buildings and directly managed buildings under its administration. Buildings included in the study are part of the Federal/Provincial housing portfolio. The Commission received preliminary estimates for the cost of remediation for a number of projects.

Substantially all of the buildings have been examined. The costs, subject to confirmation through detailed engineering studies or actual repairs, are estimated to be in the range of $ 133.9 million. Repairs to non profit and co-operative owned buildings will be undertaken by housing sponsors in the future and the resulting expenditures, if accepted and approved, will be cost-shared with CMHC and the Province based on various program funding formulae. Requests for funding of the repairs will be included in annual budgets and reimbursed based on actual costs incurred.

Letters of Guarantee

As at March 31, 2007, the Commission was contingently liable with respect to letters of guarantee totalling $826,371 for municipal development cost charges.

Provincial Rental Housing Corporation

Financial Statements March 31, 2007

Statement of Management Responsibility

The financial statements of the Provincial Rental Housing Corporation (the Corporation) are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles, consistently applied and appropriate in the circumstances. The preparation of financial statements necessarily involves the use of estimates which have been made using careful judgment. In management's opinion, the financial statements have been properly prepared within the framework of the accounting policies summarized in the financial statements and incorporate, within reasonable limits of materiality, all information available at May 11, 2007. The financial statements have also been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors.

Management maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, careful selection and training of qualified personnel and appropriate delegation of authority and segregation of responsibilities within the organization. An internal audit function independently evaluates the effectiveness of these internal controls on an ongoing basis and reports its findings to management and the Audit and Risk Management Committee.

The financial statements have been examined by independent external auditors. The external auditors' responsibility is to express their opinion on whether the financial statements, in all material respects, fairly present the Corporation's financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles. The Auditors' Report, which follows, outlines the scope of their examination and their opinion.

The Board of Directors, through the Audit and Risk Management Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Audit and Risk Management Committee, comprised of a director who is not an employee, meets regularly with the external auditors, the internal auditors and management to satisfy itself that each group has properly discharged its responsibility to review the financial statements before recommending approval by the Board of Commissions. The Audit and Risk Management Committee also recommends the appointment of external auditors to the Board of Directors. The external auditors have full and open access to the Audit and Risk Management Committee, with and without the presence of management.

Shayne Ramsay
President

Dan Maxwell
Chief Financial Officer

May 11, 2007

Auditors' Report

To the Shareholder of the
Provincial Rental Housing Corporation

We have audited the balance sheet of Provincial Rental Housing Corporation as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at March 31, 2006 and for the year then ended were audited by another firm of chartered accountants who expressed an opinion without reservation in their report dated May 5, 2006.

Vancouver, Canada
May 11, 2007

BDO Dunwoody LLP

BDO Dunwoody LLP
Chartered Accountants & Advisors
600 Cathedral Place - 925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Balance Sheet

Provincial Rental Housing Corporation

Year ended March 31	2017	2016
	(000's)	(000's)
ASSETS		
Investment in properties (Note 3)	$ 455,493	$ 461,566
Debenture subsidy receivable	839	1,810
Due from British Columbia Housing Management Commission (Note 4)	68,241	61,001
Cash	1	1
	$ 527,474	$ 524,378
LIABILITIES		
Long-term debt (Note 5)	$ 360,139	$ 377,879
Interest payable	584	614
Provincial transfer tax payable	7,451	
Unearned lease revenue	40,035	40,189
Funding in advance of construction (Note 6)	32,535	4,932
Deferred contributions (Note 7)	26,028	27,437
	466,772	451,051
SHAREHOLDER'S EQUITY		
Contributed surplus	96,709	71,109
Retained earnings	44,833	73,918
	140,702	145,027
	$ 527,474	$ 524,378
Contributed surplus is represented by:		
Contributed surplus on establishment	84,036	84,036
Property acquisition contribution (Note 8)	18,669	10,695
Self-insurance reserve (Note 9)	11,500	
Group home replacement reserve (Note 10)	5,542	
	$ 96,709	$ 71,109

Commitments (Note 12)

On behalf of the Board:

Director

Director

See accompanying notes to the financial statements

Statement of Operations

Provincial Rental Housing Corporation

Year Ended March 31	2007 ($000's)	2006 (000's)
REVENUE		
Directly managed debenture subsidy	$ 12,578	$ 7,260
Group home mortgage subsidy	7,339	7,255
Lease revenue	2,051	2,051
Contribution revenue	1,452	1,234
	23,420	17,800
EXPENSES		
Depreciation	5,596	4,227
Interest on long-term debt	13,324	7,043
	18,920	11,270
Excess of revenue over expenses	4,500	6,530
Retained Earnings beginning of year	39,953	33,423
Retained Earnings end of year	$ 44,453	$ 39,953

See accompanying notes to the financial statements

Statement of Cash Flows

Provincial Rental Housing Corporation

Year Ended March 31	2007 ($000's)	2006 ($000's)
Cash flows provided by (used in)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ 4,500	$ 6,530
Adjustments to determine cash flows:		
Depreciation	5,596	4,227
Amortization of unearned lease revenue	(2,051)	(2,051)
Amortization of deferred contributions	(1,625)	(1,234)
Transfer of self insurance reserve	11,390	-
Transfer of group home replacement reserve	5,542	-
Change in non-cash working capital	8,362	18
	31,714	7,490
INVESTING ACTIVITIES		
Property acquisitions	(112,423)	(11,822)
Property disposals	1,656	1,550
	(110,767)	(10,272)
FINANCING ACTIVITIES		
New financing	87,350	5,468
Long-term debt repayment	(9,089)	(3,953)
Funding in advance of construction	47,593	274
Deferred contributions	6,196	6,119
Property acquisition contribution receipts	4,483	139
Repayments to the Province	-	(3,911)
Advances to British Columbia Housing Management Commission	(57,480)	(1,854)
	79,053	2,782
Increase in cash	-	-
Cash, beginning of year	1	1
Cash, end of year	$ 1	$ 1

See accompanying notes to the financial statements

Notes to the Financial Statements March 31, 2007

Provincial Rental Housing Corporation

1. GENERAL

The Provincial Rental Housing Corporation was incorporated under the Company Act of the Province of British Columbia in 1961. The Corporation is wholly owned by the Province, and is an agent of the Crown. The Corporation is exempt from federal and provincial income taxes.

The Corporation holds property for social and other low cost housing for the Province. It also holds land under long-term leases to housing sponsors. The subsidized rental housing units of the Corporation are managed and operated by the British Columbia Housing Management Commission (the "Commission"), which is a Crown agency that records the related rental revenue and is responsible for all of the operating and administrative activities and related costs.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Use of Estimates

In preparing these financial statements management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment in Properties

The Corporation capitalizes its investment in properties at cost and depreciates its buildings on the straight-line method over 25 years.

Property Leases

The Corporation leases property used for housing projects to housing sponsors. These sixty-year leases are prepaid by the housing sponsors when the housing projects are completed and ready for occupancy. The Corporation amortizes the lease revenue over the term of each lease and records the unearned portion as unearned lease revenue.

Deferred Contributions

Funding received from the Province used for acquisition of depreciable capital assets is recorded as deferred contributions and is recognized as a recovery in the statement of operations equal to depreciation charged on related depreciable capital assets.

Funding received from the Province for acquisition of non-depreciable capital assets, such as land, is allocated to property acquisition contribution when the related assets are acquired.

Property Acquisition Contribution

For some social housing projects and group homes, the Province provides grants to the Corporation for a portion of the construction costs. The Corporation records the construction grants as property acquisition contribution when the projects are completed.

From time to time, the Corporation disposes of property purchased for social housing projects that cannot proceed due to various circumstances. The proceeds from these sales are applied against the cost of purchasing alternate sites as appropriate. Any surplus or deficiency resulting from those sales is credited or charged to property acquisition contribution.

Financial Instruments

The Corporation's financial instruments consist of cash, receivables, due from British Columbia Housing Management Commission, advances, payables and long-term debt. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying values except for long term debt (Note 5). Fair value of long term debt is determined by calculating the present value of the future mortgage payments discounted at the March 31st yield of the Government of Canada benchmark bond plus 50 basis points.

3. INVESTMENT IN PROPERTIES

	Cost	Accumulated depreciation	2007 ($000's) Net book value	2006 ($000's) Net book value
Land	$ 358,023	$ -	$ 358,023	$ 281,601
Buildings	197,661	101,580	96,081	66,094
Construction in progress	4,289		4,289	3,870
	$ 559,973	$ 101,580	$ 458,393	$ 351,565

4. DUE FROM BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Amounts represent funds advanced for the acquisition and development of properties under social housing programs. The amounts are non-interest bearing with no set terms of repayment.

5. LONG-TERM DEBT

	2007 ($000's)	2006 ($000's)
Canada Mortgage & Housing Corporation (CMHC) Debenture mortgages repayable at the end of each year, maturing between the years 2024 and 2027, bearing interest at rates from 3.59% to 8%, and secured by unregistered first mortgages on properties of the Corporation (Fair value - $151,234)	$ 110,822	$ 36,483
Chartered banks and CMHC Mortgages repayable monthly over terms of up to 35 years, bearing interest at rates from 4.35% to 14.25%, and secured by registered first mortgages on properties of the Corporation (Fair value - $96,203)	$ 95,317	91,395
	$ 206,139	$ 127,878

The aggregate principal repayments required in each of the next five fiscal years is estimated to be as follows:

	($000's)
2008	$ 31,903
2009	28,716
2010	17,397
2011	24,946
2012	18,696
Thereafter	84,481
	$ 206,139

6. FUNDING IN ADVANCE OF CONSTRUCTION

This balance represents construction funding received from various Provincial ministries in advance of property acquisition and construction of non-profit housing and group homes. Interest does not accrue on funds received.

7. DEFERRED CONTRIBUTIONS

	2007 ($000's)	2006 ($000's)
Balance, beginning of year	$ 21,457	$ 16,572
Receipts	6,196	6,119
Amortization	(1,625)	(1,234)
Balance, end of year	$ 26,028	$ 21,457

8. PROPERTY ACQUISITION CONTRIBUTION

	2007 ($000's)	2006 ($000's)
Balance, beginning of year	$ (10,809)	$ (7,223)
Receipts	4,483	139
Surplus on property sales	1,657	186
Repayments to the Province	-	(3,911)
Balance, end of year	$ (4,669)	$ (10,809)

9. SELF INSURANCE RESERVES

During fiscal 2006/2007, BC Housing Management Commission transferred the Self Insurance Funds to the Corporation. The reserves cover claims below the deductible amounts of insured properties and for uninsured losses. In previous years, these funds were recorded as liabilities of the Commission.

10. GROUP HOME REPLACEMENT RESERVES

During fiscal 2006/2007, the BC Housing Management Commission transferred the Group Home Replacement Funds to the Corporation. The reserves fund major repairs and maintenance of buildings owned by the Provincial Rental Housing Corporation. In previous years, these funds were recorded as liabilities of the Commission.

11. RELATED PARTY TRANSACTIONS

a. Insurance

The Corporation does not insure its rental housing properties. Instead property losses are compensated by the Province through the Commission and, for certain properties, by CMHC.

b. Directly managed debenture subsidy

Directly managed debenture subsidy represents funds received from the Commission for the principal and interest costs of the long-term debt related to directly managed properties.

c. Group home mortgage subsidy

Group home mortgage subsidy represents the funds received from the Commission for mortgage payments to chartered banks and CMHC.

d. Administration and financing

The Commission acts as agent in administering and financing the operations and capital projects of the Corporation. No administration costs are charged to the Corporation for such services performed.

12. COMMITMENTS

The Corporation committed to the purchase of certain single room occupancy hotels and apartment buildings for a total cost of approximately $50 million closing within 90 days of the Corporation's year end.

Appendices

Appendix A Changes in Reporting

In keeping with the requirements set out under the *Budget Transparency and Accountability Act* (BTAA), this section outlines some of the key changes in reporting. These changes have been incorporated into BC Housing's 2007/08 Service Plan. An explanation of each of the changes has been provided.

SUMMARY OF CHANGES TO THE GOALS AND OBJECTIVES

There were no changes to BC Housing's goals and objectives in the 2006/07 Service Plan.

SUMMARY OF CHANGES TO THE MEASURE

There were three (3) changes to the measures when compared with the 2006/07 Service Plan. These changes are outlined in the table below.

Revised Measure	Rationale
Introduction of a new measure under Goal 1 – Respond to Gaps in the Housing Continuum – *Number of new households assisted through rent assistance programs*	Rent assistance programs represent an important element in the government's housing strategy. To reflect the importance of these initiatives a new measure was added to BC Housing's 2007/08 performance measurement framework.
Revisions to two measures under Goal 2 – Protect and Manage Existing Housing for the Long-Term *Percentage of social housing providers meeting financial and operational standards replaces the measure related to the percentage of social housing developments meeting "best management" practices.*	Due to business processes being streamlined as a result of the go-live of major information technology projects, data for this measure is only available until October 16, 2006. Based on the data available, 97% of social housing developments were meeting "best management" practices. The target has been achieved with 3% of housing providers falling within the "higher" risk category. The intent of this measure remains the same – to confirm that the housing that is provided is well-managed and well-maintained and that adequate provisions are in place for future requirements. However, refinements have been made to the methodology used to track and report on results based on an external review process initiated in 2006/07. The revised measure is intended to provide a more direct and meaningful measure for reporting purposes.
Ratio of replacement reserve contributions to actual expenditures replaces the measure related to developments with adequate replacement reserve plans.	The intent of this measure remains the same – to confirm that the housing that is provided is well-managed and well-maintained and that adequate provisions are in place for future requirements. However, refinements have been made to the methodology used to track and report on results based on an external review process initiated in 2006/07. The revised measure is intended to provide a more direct and meaningful measure for reporting purposes.

Appendix A – Changes in Reporting (continued)

SUMMARY OF CHANGES TO TARGETS

There were changes made to four of the targets when compared to the 2006/07 Service Plan. These changes are outlined below.

GOAL 1 NUMBER OF NEW UNITS/BEDS CREATED IN PRIORITY AREAS

2006/07 Service Plan Targets

2006/07 Forecast	2007/08	2008/09
1,997	**984**	**610**

2007/08 Revised Service Plan Targets

2006/07 Forecast	2007/08 (Revised)	2008/09 (Revised)
1,997	**941**	**1,264**

The targets for this measure have been adjusted to reflect changes in the expected completion of some units. In addition, adjustments have been made to reflect the creation of additional units as part of the Provincial Housing Strategy announced in October 2006.

GOAL 1 NUMBER OF EXISTING UNITS ADAPTED TO HIGHER PRIORITY NEEDS

2006/07 Service Plan Targets

2006/07 Forecast	2007/08	2008/09
240	**265**	**290**

2007/08 Revised Service Plan Targets

2006/07 (Revised)	2007/08 (Revised)	2008/09 (Revised)
400	**550**	**700**

The targets for this measure have been adjusted upward to reflect the success of Tenant Services in identifying partnerships and in successfully housing an increasing number of vulnerable tenants. The adjusted targets also reflect new initiatives that have been identified for 2007/08 including the introduction of units under the Supportive Seniors Housing program.

GOAL 2 PERCENTAGE OF CLIENTS REPORTING SATISFACTION WITH THE QUALITY AND SAFETY OF THEIR HOUSING

2006/07 Service Plan Targets

2006/07 Forecast	2007/08	2008/09
84%	**84% or better**	**84% or better**

2007/08 Revised Service Plan Targets

2006/07 Forecast	2007/08 (Revised)	2008/09 (Revised)
78%	**78% or better**	**78% or better**

In 2006/07, this target was adjusted upward to reflect 2005/06 results. However, more recent trend data shows a decrease in reported satisfaction levels (currently at 77%) with changes in the tenant profile potentially contributing to this outcome as BC Housing continues to work to house more vulnerable individuals. Taking this into consideration, the target has been adjusted downward while still remaining above results reported by other social housing providers in other jurisdictions.

GOAL 3 PERCENTAGE OF NIGHTS WHERE SHELTERS ARE AT FULL OCCUPANCY

2006/07 Service Plan Targets

2006/07	2007/08	2008/09
Establish baseline	**to be determined**	**to be determined**

2007/08 Revised Service Plan Targets

2006/07 (Revised)	2007/08 (Revised)	2008/09 (Revised)
50% or less	**50% or less**	**50% or less**

Baseline data captured from November 2005 to August 2006 shows that the emergency shelters funded through the Emergency Shelter Program were at full occupancy 44% of all nights during the reporting period. This data was used to establish the baseline for 2006/07. BC Housing will continue to work with the shelters to identify processes and strategies to move people from shelters to permanent housing.

Appendix B Disclosure of Key Reporting Judgments

GOAL 1 RESPOND TO GAPS IN THE HOUSING CONTINUUM

MEASURE: NUMBER OF NEW UNITS/BEDS CREATED IN PRIORITY AREAS

About the Measure

This measure reflects the number of new units or beds added at different points along the housing continuum during the reporting period.

Data Sources and Methodology

This measure reports on the number of units that have reached completion and/or are ready for occupancy during the reporting period.

Reliability of the Data

The complexity of the development process as well as other external factors, including changes in program or funding levels, can contribute to a result above or below the established targets. Industry trends, including interest rates, construction costs and other factors, can also influence the outcomes. Information to support this measure is captured through BC Housing's reporting systems.

Benchmarks

Performance is benchmarked internally against past performance as well as historical performance. No external benchmark is available.

MEASURE: NUMBER OF NEW HOUSEHOLDS ASSISTED THROUGH RENT ASSISTANCE PROGRAMS (NEW)

About the Measure

Rent assistance programs represent an important element in the government's housing strategy. This measure reports on the number of new households assisted through SAFER (Shelter Aid for Elderly Renters), the Rental Assistance Program and targeted assistance for those who are homeless.

Data Sources and Methodology

This measure reports on the number of new households assisted under the different programs. This includes households assisted through SAFER, the Rental Assistance Program and targeted strategies delivered through Tenant Services to assist those who are homeless.

Reliability of the Data

Information to support this measure is captured through BC Housing's reporting systems. The targets are based on an estimate of need based on population and household data from BC Stats (P.E.O.P.L.E. 31) and the 2001 Census. In 2007/08 the target is substantially higher than in future years because of an expansion in eligibility criteria, which is expected to bring in a significant number of new applications. Thereafter, based on historical patterns of similar programs, the volume is expected to moderate.

Benchmarks

Performance is benchmarked internally against past performance. No external benchmark is available.

MEASURE: NUMBER OF EXISTING UNITS ADAPTED TO HIGHER PRIORITY NEEDS

About the Measure

This measure reports on the number of existing units which have been adapted or re-targeted to serve higher priority needs including women and children fleeing abuse, persons with a mental illness or addictions-related challenges as well as other special housing needs.

Data Sources and Methodology

Individuals assisted through the BC Housing Health Services Program, the Priority Placement Program and through partnerships and initiatives established by Tenant Services during the reporting period comprise this measure. In 2007/08 this measure will also report BC Housing's success in introducing units under the Supportive Seniors Housing program as a means of promoting greater independence among frail seniors. In addition, the 2007/08 targets are also designed to reflect the expanded role of Health Services staff in the assessment and placement of tenants in available units.

Reliability of the Data

Results are reported quarterly by staff in Tenant Services and Housing Operations. The results can vary depending on the availability of suitable units as well as the availability of funding for the necessary support services. Success in meeting the objectives and targets related to this measure is also dependent on BC Housing's ability to identify appropriate partnership opportunities in the community.

Benchmarks

Performance is benchmarked internally. In establishing the targets, historical data related to both the Priority Placement Program and the BC Housing Health Services Program was used.

GOAL 2 PROTECT AND MANAGE EXISTING HOUSING FOR THE LONG TERM

MEASURE: PERCENTAGE OF CLIENTS REPORTING SATISFACTION WITH THE QUALITY AND SAFETY OF THEIR HOUSING

About the Measure

This measure reports on the level of satisfaction reported by tenants living in public housing.

Data Sources and Methodology

This measure is based on an annual tenant survey and reflects the percentage of tenants indicating that they are satisfied or very satisfied in response to the question of *Overall, how satisfied are you with your housing situation?*

Reliability of the Data

Data to support this measure is collected annually and is based on the results from a survey of tenants living in housing managed by BC Housing. The survey uses a five point scale to gather feedback from tenants on the following:

- Their overall satisfaction with their housing;
- Their satisfaction with the way their development is managed;
- Their satisfaction with the level of safety and security in their development;
- Their satisfaction with the level of cleanliness of their development; and
- The responsiveness of management to requests.

Approximately 3,000 tenants respond to the survey each year, representing a 40% response rate.

Benchmarks

Performance is benchmarked internally against past performance. Results are compared informally to published results reported by housing providers in other jurisdictions. However, no formal external benchmarking process has been established.

MEASURE: PERCENTAGE OF SOCIAL HOUSING PROVIDERS MEETING FINANCIAL AND OPERATIONAL STANDARDS (REVISED)

About the Measure

This measure ensures that non-profit and cooperative housing providers are meeting the financial and operational standards set out in their agreements. This measure also gives the assurance that the existing portfolio of social housing is well-managed and well-maintained for the long term.

Data Sources and Methodology

Data to support this measure is gathered through the operational review process using a checklist/scorecard approach, which evaluates provider performance across a number of dimensions including their maintenance and financial practices. Administrative practices including tenant management, records and information management and human resource planning are also examined.

Reliability of the Data

The operational review process is based upon site visits and is designed to confirm that services are delivered in an appropriate manner and to identify potential problems before they arise. In addition, all housing providers that receive an operating budget are subject to an operational review thereby providing a reasonably comprehensive sample.

Benchmarks

Performance is benchmarked internally against past performance.

MEASURE: RATIO OF REPLACEMENT RESERVE CONTRIBUTIONS TO ACTUAL EXPENDITURES (REVISED)

About the Measure

This measure compares average annual replacement reserve contributions to expenditures as a means of providing reasonable assurance against future risk.

Data Sources and Methodology

This measure compares average annual contributions to expenditures based on a five-year average. Information to support this measure is collected through BC Housing's reporting systems as part of the financial review process.

Reliability of the Data

The target is set based on the 2005/06 results with current findings suggesting that sufficient funding is in place to meet future requirements. As the portfolio ages, it is expected that the ratio of contributions to expenditures will decrease with the difference being offset through existing reserve balances. The declining level to 2009/10 is in line with historical data, given buildings will continue to age.

Benchmarks

Performance will be benchmarked internally against past performance.

GOAL 3 PROVIDE ACCESS TO APPROPRIATE HOUSING AND SERVICES FOR VULNERABLE BRITISH COLUMBIANS

MEASURE: PERCENTAGE OF NEW APPLICANTS REPORTING SATISFACTION WITH THE PROCESS

About the Measure

This measure ensures that applicants have access to the information and support that they need when applying for housing. The feedback received helps to strengthen and improve our business processes.

Data Sources and Methodology

Data to support this measure is captured through an applicant feedback form that is included as part of the application process. Using a five-point scale, applicants are asked questions related to their satisfaction with:

- The information that they received when applying for housing;
- The ease and clarity of the application form;
- The helpfulness of the materials and listings provided; and
- The knowledge and helpfulness of staff.

Applicants are asked to complete the feedback form and return it with their application with the results being tracked and reported monthly.

Reliability of the Data

As of March 31, 2007, feedback was received from approximately 5,050 applicants with the overall satisfaction rating being equal to approximately 90%. This result is based on a self-administered survey. Plans are currently being developed to revise the current data collection strategy to include an independent, third-party approach for obtaining feedback.

Benchmarks

Performance is benchmarked internally against past performance. No external benchmark is available.

MEASURE: PERCENTAGE OF NIGHTS WHERE SHELTERS ARE AT FULL OCCUPANCY

About the Measure

Emergency shelters are an important point of access for moving a homeless individual to the next stage in the housing continuum. This measure reports on the capacity of the emergency shelter system and the percentage of nights that emergency shelters funded through BC Housing were full or over capacity.

Data Sources and Methodology

Information to support this measure is captured through monthly statistics prepared by the individual emergency shelters receiving funding support under the Emergency Shelter Program. This measure reports on the percentage of nights where the shelters funded through BC Housing reported that they were at full capacity.

Reliability of the Data

There is some variation in the capacity of the shelters in terms of their data collection and reporting. This can influence the results. In addition, differences across geographic regions, client groups as well as seasonal variation can have an impact on the results.

Benchmarks

Year-over-year results will be compared and analyzed. However, 2006/07 represents the first year that data is available.

MEASURE: PERCENTAGE OF CLIENTS BELONGING TO PRIORITY GROUPS

About the Measure

This measure reports on the percentage of clients belonging to one of the priority groups who are assisted through the existing inventory of subsidized housing. Priority groups include seniors, persons with physical and mental disabilities, women and children who have experienced domestic violence as well as those who are homeless or at risk of homelessness.

Data Sources and Methodology

This measure is calculated by taking the current inventory of subsidized housing (public housing, non-profit and cooperative housing as well as rent assistance in the private market) and determining the percentage of units that are currently occupied by one of the designated priority groups.

Reliability of the Data

Due to information limitations, this measure is likely under-reporting the extent to which the designated priority groups are being served. Changes to BC Housing's information systems and application process will help to provide better and more complete information for future reporting. In addition, the percentage of units is expected to increase as new units are completed or existing units become available through turnover.

Benchmarks

Performance is benchmarked internally against past performance. No external benchmark is available.

MEASURE: CONTROLLABLE ADMINISTRATION COSTS AS A PERCENTAGE OF PROGRAM DELIVERY COSTS

About the Measure

This measure assesses the efficiency of our management practices by benchmarking year-over-year increases in BC Housing's controllable administration costs relative to program delivery costs.

Data Source and Methodology

This is an annual measure that is based on information captured in BC Housing's audited financial statements and is reported as a percentage of total program costs.

Reliability of the Data

In 2006/07, results were benchmarked with other housing organizations through an independent third party review. After making adjustments to reflect differences in definitions and reporting, the review found that BC Housing had the lowest cost profile of all of the organizations involved in the study. The review also concluded that given variations in context and accounting, a year-over-year comparison within the same agency may be the most valid comparator.

MEASURE: PER SQUARE FOOT CONSTRUCTION COSTS

About the Measure

This measure compares per-square-foot construction costs for housing developed under BC Housing programs with comparable developments in the private market. Data captured through this measure allows BC Housing to compare costs and trends over time and demonstrate that value for money is achieved.

Data Sources and Methodology

This measure relies on the expertise provided through a construction cost consulting firm to analyze the degree of variance between the per-square-foot construction costs for non-profit developments compared to comparable private market developments. Adjustments are made to reflect the design standards and requirements, which in some cases exceed the standards and features provided in private market developments. Comparisons are then made with published construction cost data to determine the degree of variance.

Reliability of the Data

In many cases, the types of developments constructed through BC Housing's programs include a combination of services and amenities that make it difficult to make direct comparisons with the private market. In addition, the development process typically involves competing requirements that can influence the outcomes. This can make it difficult to get reliable comparisons with differences in time, location, building form, unit mix, amenities, scale, efficiency and quality. These all have an impact on the results that are achieved. The proposed methodology relies on the use of independent external verification and a quantity survey and cost-measure approach to addressing the limitations. Results are also triangulated against standard industry measures and cost data.

Benchmarks

Costs are standardized and benchmarked against a sample of private market buildings and industry cost data.

MEASURE: EMPLOYEE ENGAGEMENT INDEX

About the Measure

This measure reports on the level of employee engagement based on results from an annual staff survey.

Data Sources and Methodology

The survey instrument seeks to obtain staff feedback on the following:

- Clarity about what is expected;
- Having the right materials, tools and equipment;
- Having a good relationship with one's manager/supervisor;
- Having received positive recognition for work in the past month;
- Having the ability to use skills and talents to make a contribution;
- Having a sense of alignment with the corporate goals and objectives;
- Having clarity about how their work contributes to the broader goals and objectives;
- Having input into decisions that have personal impact;
- Having feedback on progress; and,
- Having access to learning opportunities.

Reliability of the Data

Baseline data was gathered through a Commission-wide survey initiated in spring 2005 with the follow-up survey completed in 2007. The survey is self-administered on-line with results being analyzed by an external research firm. Approximately 67% of staff across the Commission participated in the survey helping to provide a high degree of confidence in the findings.

Benchmarks

Comparisons are made with a cross-section of large- and mid-size public and private sector companies to benchmark performance. The database contains more than 10,000 responses from across different public and private sector organizations.

Glossary

Assisted Living: Assisted living units are self-contained apartments for seniors or people with disabilities who need some support services to continue living independently, but do not need 24-hour facility care. Services provided include daily meals, social and recreational opportunities, assistance with medications, mobility and other care needs, a 24-hour response system and light housekeeping.

Cold Wet Weather: Cold wet weather services include shelter facilities and services that operate and/or are funded on a seasonal basis. Shelters add cold wet weather beds (seasonal beds and mats) to provide the option of a warm, dry place to sleep for people who are homeless as winter weather sets in and the need increases. There are also emergency shelter facilities that are open during the winter months.

Cooperative Housing: A housing development in which individual residents own a share in the cooperative. This share grants them equal access to common areas, voting rights, occupancy of an apartment or townhouse as if they were owners and the right to vote for board members to manage the cooperative. Each member has one vote and members work together to keep their housing well-managed and affordable.

Core Housing Need: Households in core housing need are those individuals who currently reside in housing that is either in need of major repair, does not have enough bedrooms for the size and makeup of the household, or costs 30 per cent or more of their total income, and who are unable to rent an alternative housing unit that meets these standards without paying 30 per cent or more of their income.

Emergency Shelter: Short-stay housing of 30 days or less. Emergency shelters provide single or shared bedrooms or dorm-type sleeping arrangements, with varying levels of support to individuals.

Group Home: A small, community-based development, usually under 10 beds/units, that provides affordable housing with supports to those with special needs including individuals with severe mental and physical disabilities and youth and women with their children fleeing abuse. BC Housing provides administration and property management support for group homes on behalf of other provincial ministries and health authorities.

Housing Providers: Non-profit housing societies and housing cooperatives that own and manage subsidized housing developments. This term can also include private-market landlords through whom BC Housing provides rent assistance to low-income households.

NIMBY: (Not-In-My-Back-Yard) Community opposition to new social housing developments based upon fear, assumptions and stereotypes that some people may harbour about the individuals that will live in these developments.

Non-Profit Housing: Rental housing that is owned and operated by community-based, non-profit societies. The mandates of these societies are to provide safe, secure, affordable accommodation to households with low to moderate incomes. Most non-profit housing societies receive some form of financial assistance from government to enable them to offer affordable rents. Each society operates independently under the direction of a volunteer board of directors.

Operating Budget: The annual budget for a non-profit or cooperative housing development. The budget forecasts the costs of operating a development, based on income and expenses, and is used to determine the subsidy level BC Housing provides each month to run the building.

Public Housing: Housing that is jointly funded by the provincial and federal governments and predominantly managed by BC Housing. Most of these developments were constructed in the 1950s and 1960s.

Rent Assistance: Rent supplement agreements with private landlords as well as housing allowances paid directly to households in the private market.

Social Housing: Includes both public housing and housing that is owned and managed by non-profit and cooperative housing providers.

Subsidized Housing: Encompasses all types of housing for which the provincial government provides a subsidy or rent assistance, including public, non-profit and cooperative housing, as well as rent assistance for people living in private-market housing. It also includes emergency housing and short-term shelters.

Subsidy: BC Housing provides monthly subsidies to organizations to fund the costs of operating subsidized-housing units. The subsidy is based on the operating costs set out in the annual budget, less the total rents/housing charges collected from tenants. Subsidy payments include rent subsidies/repayable assistance and cover the mortgage payments, building maintenance and other shelter-related costs.

Supportive Housing: Housing that provides ongoing supports and services to residents who cannot live independently and are not expected to become fully self-sufficient.

The Housing Registry: Centralized database of applicants' information and housing providers coordinated by BC Housing. It allows individuals to apply for housing with multiple service providers using one application form.

Transitional Housing: Housing that is provided for a minimum of 30 days and up to two or three years, which includes the provision of on- or off-site support services to help people move towards independence and self-sufficiency. Transitional housing is often called second stage housing and includes housing for women with their children fleeing abuse.

Contact Information

Home Office
Suite 601 - 4555 Kingsway
Burnaby BC V5H 4V8
Telephone: 604 433-1711
Facsimile: 604 439-4722
E-mail: webeditor@bchousing.org

Vancouver Coastal Region
1296 Station Street
Vancouver BC V6A 2X3
Telephone: 604 609-7024
Facsimile: 604 609-7031
E-mail: vancoastalregion@bchousing.org

Fraser Region
Suite 800 - 5945 Kathleen Avenue
Burnaby BC V5H 4J7
Telephone: 604 525-5033
Facsimile: 604 525-8201
E-mail: fraserregion@bchousing.org

Interior Region
290 Nanaimo Avenue West
Penticton BC V2A 1N5
Telephone: 250 493-0301
Outside Penticton call: 1-800-834-7149
Facsimile: 250 492-1080
E-mail: interiorregion@bchousing.org

Northern Region
1539 - 11 Avenue
Prince George BC V2L 3S6
Telephone: 250 562-9251
Outside Prince George call:
1-800-667-1235
Facsimile: 250 562-6488
E-mail: northernregion@bchousing.org

Northern Region: Prince Rupert Area Office
1400 Kootenay Avenue
Prince Rupert BC V8J 3X5
Telephone: 250 627-7501
Facsimile: 250 627-8975
E-mail: northernprregion@bchousing.org

Vancouver Island Region
Suite 301 - 3440 Douglas Street
Victoria BC V8Z 3L5
Telephone: 250 475-7550
Facsimile: 250 475-7551
E-mail: vanislandregion@bchousing.org

Program and Information Line
1-800-257-7756
Website: www.bchousing.org

NATIONAL LIBRARY OF CANADA CATALOGUING IN PUBLICATION DATA

As a result of printing this on recycled paper, our environmental reductions were:

trees saved	water	greenhouse landfill	greenhouse emissions	greenhouse energy
3 fully grown	1,468 litres	62 cubic metres	242 kilograms	421 kilowatt hours

www.bchousing.org

BC Housing